



Policy

2712 Conflict of Interest Code

The Chancellor shall ensure the District complies with conflicts of interest reporting requirements for designated employees per Title 2 Sections 18730 et seq.

Cross References (see also):

YCCD Policy 2710 – Conflict of Interest

References:

Title 2 Sections [18730 et seq.](#)

Adopted: April 13, 2016

Last Reviewed: April 13, 2016

Administrative Procedure

2712 Conflict of Interest Code

Pursuant to Section 18730 of Title 2 of the California Code of Regulations, incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in Section 13 below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code Section 87300 or the amendment of a conflict of interest code within the meaning of Government Code Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code Sections 81000 et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code Section 87100, and to other state or local laws pertaining to conflicts of interest.

Section 1. Definitions

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regulations Sections 18100 et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

Section 2. Designated Employees

The persons holding positions listed in Section 13 are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

Section 3. Disclosure Categories

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economics interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code Sections 87200 et seq. In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- (B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code Section 87200; and
- (C) The filing officer is the same for both agencies.¹ Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement

1 categories set forth in Section 13 specify which kinds of economic interests are reportable. Such
2 a designated employee shall disclose in his or her statement of economic interests those
3 economic interests he or she has which are of the kind described in the disclosure categories to
4 which he or she is assigned in Section 13. It has been determined that the economic interests set
5 forth in a designated employee's disclosure categories are the kinds of economic interests which
6 he or she foreseeably can affect materially through the conduct of his or her office.

7
8 Section 4. Statements of Economic Interests
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10 Place of Filing. The code reviewing body shall instruct all designated employees within its code to file
11 statements of economic interests with the agency or with the code reviewing body, as provided by the
12 code reviewing body in the agency's conflict of interest code.²
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14 Section 5. Statements of Economic Interests
15

16 Time of Filing
17

- 18 (A) Initial Statements. All designated employees employed by the agency on the effective date of this
19 code, as originally adopted, promulgated and approved by the code reviewing body, shall file
20 statements within 30 days after the effective date of this code. Thereafter, each person already
21 in a position when it is designated by an amendment to this code shall file an initial statement
22 within 30 days after the effective date of the amendment.
- 23 (B) Assuming Office Statements. All persons assuming designated positions after the effective date
24 of this code shall file statements within 30 days after assuming the designated positions, or if
25 subject to State Senate confirmation, 30 days after being nominated or appointed.
- 26 (C) Annual Statements. All designated employees shall file statements no later than April 1.
- 27 (D) Leaving Office Statements. All persons who leave designated positions shall file statements within
28 30 days after leaving office.
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30 Section 5.5. Statements for Persons Who Resign Prior to Assuming Office
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32 Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice
33 provided by the filing officer to file an assuming office statement, is not deemed to have assumed office
34 or left office, provided he or she did not make or participate in the making of, or use his or her position to
35 influence any decision and did not receive or become entitled to receive any form of payment as a result
36 of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

- 37 (A) Any person who resigns a position within 30 days of the date of a notice from the filing officer
38 shall do both of the following:
- 39 1. File a written resignation with the appointing power; and
 - 40 2. File a written statement with the filing officer declaring under penalty of perjury that during
41 the period between appointment and resignation he or she did not make, participate in the
42 making, or use the position to influence any decision of the agency or receive, or become
43 entitled to receive, any form of payment by virtue of being appointed to the position.
44

filed in place of an original is signed and verified by the designated employee as if it were an original. See
Government Code Section [81004](#).

² See Government Code Section [81010](#) and 2 Cal. Code of Regs. Section [18115](#) for the duties of filing officers
and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

1 Section 6. Contents of and Period Covered by Statements of Economic Interests
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- 3 (A) Contents of Initial Statements. Initial statements shall disclose any reportable investments,
4 interests in real property and business positions held on the effective date of the code and income
5 received during the 12 months prior to the effective date of the code.
- 6 (B) Contents of Assuming Office Statements. Assuming office statements shall disclose any
7 reportable investments, interests in real property and business positions held on the date of
8 assuming office or, if subject to State Senate confirmation or appointment, on the date of
9 nomination, and income received during the 12 months prior to the date of assuming office or
10 the date of being appointed or nominated, respectively.
- 11 (C) Contents of Annual Statements. Annual statements shall disclose any reportable investments,
12 interests in real property, income and business positions held or received during the previous
13 calendar year provided, however, that the period covered by an employee's first annual
14 statement shall begin on the effective date of the code or the date of assuming office whichever
15 is later.
- 16 (D) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable
17 investments, interests in real property, income and business positions held or received during the
18 period between the closing date of the last statement filed and the date of leaving office.

19
20 Section 7. Manner of Reporting

21
22 Statements of economic interests shall be made on forms prescribed by the Fair Political Practices
23 Commission and supplied by the agency, and shall contain the following information:

- 24 (A) Investments and Real Property Disclosure. When an investment or an interest in real property³ is
25 required to be reported,⁴ the statement shall contain the following:
- 26 1. A statement of the nature of the investment or interest;
 - 27 2. The name of the business entity in which each investment is held, and a general description
28 of the business activity in which the business entity is engaged;
 - 29 3. The address or other precise location of the real property;
 - 30 4. A statement whether the fair market value of the investment or interest in real property
31 exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one
32 hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).
- 33 (B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement
34 shall contain:
- 35 1. The name and address of each source of income aggregating five hundred dollars (\$500) or
36 more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general
37 description of the business activity, if any, of each source;

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

- 1 2. A statement whether the aggregate value of income from each source, or in the case of a
2 loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less,
3 greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or
4 greater than one hundred thousand dollars (\$100,000);
- 5 3. A description of the consideration, if any, for which the income was received;
- 6 4. In the case of a gift, the name, address and business activity of the donor and any intermediary
7 through which the gift was made; a description of the gift; the amount or value of the gift;
8 and the date on which the gift was received;
- 9 5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and
10 the term of the loan.

11 (C) Business Entity Income Disclosure. When income of a business entity, including income of a sole
12 proprietorship, is required to be reported,⁶ the statement shall contain:

- 13 1. The name, address, and a general description of the business activity of the business entity;
- 14 2. The name of every person from whom the business entity received payments if the filer's pro
15 rata share of gross receipts from such person was equal to or greater than ten thousand
16 dollars (\$10,000).

17 (D) Business Position Disclosure. When business positions are required to be reported, a designated
18 employee shall list the name and address of each business entity in which he or she is a director,
19 officer, partner, trustee, employee, or in which he or she holds any position of management, a
20 description of the business activity in which the business entity is engaged, and the designated
21 employee's position with the business entity.

22 (E) Acquisition or Disposal during Reporting Period. In the case of an annual or leaving office
23 statement, if an investment or an interest in real property was partially or wholly acquired or
24 disposed of during the period covered by the statement, the statement shall contain the date of
25 acquisition or disposal.

26 Section 8. Prohibition on Receipt of Honoraria

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28
29 (A) No member of a state board or commission, and no designated employee of a state or local
30 government agency, shall accept any honorarium from any source, if the member or employee
31 would be required to report the receipt of income or gifts from that source on his or her statement
32 of economic interests. This section shall not apply to any part-time member of the governing
33 board of any public institution of higher education, unless the member is also an elected official.
34 Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in
35 this section.

36
37 (B) This section shall not limit or prohibit payments, advances, or reimbursements for travel and
38 related lodging and subsistence authorized by Government Code Section 89506.

39 Section 8.1. Prohibition on Receipt of Gifts in Excess of \$460

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41
42 (A) No member of a state board or commission, and no designated employee of a state or local
43 government agency, shall accept gifts with a total value of more than \$460 in a calendar year from
44 any single source, if the member or employee would be required to report the receipt of income

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

1 or gifts from that source on his/her statement of economic interests. This section shall not apply
2 to any part-time member of the governing board of any public institution of higher education,
3 unless the member is also an elected official.

4
5 Subdivisions (e), (f), and (g) of Government Code Section 89503 shall apply to the prohibitions in
6 this section.

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8 Section 8.2. Loans to Public Officials

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10 (A) No elected officer of a state or local government agency shall, from the date of his/her election
11 to office through the date that he/she vacates office, receive a personal loan from any officer,
12 employee, member, or consultant of the state or local government agency in which the elected
13 officer holds office or over which the elected officer's agency has direction and control.

14
15 (B) No public official who is exempt from the state civil service system pursuant to subdivisions (c),
16 (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he/she holds office,
17 receive a personal loan from any officer, employee, member, or consultant of the state or local
18 government agency in which the public official holds office or over which the public official's
19 agency has direction and control. This subdivision shall not apply to loans made to a public official
20 whose duties are solely secretarial, clerical, or manual.

21
22 (C) No elected officer of a state or local government agency shall, from the date of his/her election
23 to office through the date that he/she vacates office, receive a personal loan from any person
24 who has a contract with the state or local government agency to which that elected officer has
25 been elected or over which that elected officer's agency has direction and control. This
26 subdivision shall not apply to loans made by banks or other financial institutions or to any
27 indebtedness created as part of a retail installment or credit card transaction, if the loan is made
28 or the indebtedness created in the lender's regular course of business on terms available to
29 members of the public without regard to the elected officer's official status.

30
31 (D) No public official who is exempt from the state civil service system pursuant to subdivisions (c),
32 (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he/she holds office,
33 receive a personal loan from any person who has a contract with the state or local government
34 agency to which that elected officer has been elected or over which that elected officer's agency
35 has direction and control. This subdivision shall not apply to loans made by banks or other
36 financial institutions or to any indebtedness created as part of a retail installment or credit card
37 transaction, if the loan is made or the indebtedness created in the lender's regular course of
38 business on terms available to members of the public without regard to the elected officer's
39 official status. This subdivision shall not apply to loans made to a public official whose duties are
40 solely secretarial, clerical, or manual.

41
42 (E) This section shall not apply to the following:
43 1. Loans made to the campaign committee of an elected officer or candidate for elective office.
44 2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother,
45 sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin,
46 or the spouse of any such persons, provided that the person making the loan is not acting as
47 an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

Section 8.3. Loan Terms

- (A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his/her election to office through the date he/she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.
- (B) This section shall not apply to the following types of loans:
1. Loans made to the campaign committee of the elected officer.
 2. Loans made to the elected officer by his/her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
 3. Loans made, or offered in writing, before January 1, 1998.
- (C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

Section 8.4. Personal Loans

- (A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:
1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
 2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
 - a. The date the loan was made.
 - b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.
 - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.
- (B) This section shall not apply to the following types of loans:
1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
 2. A loan that would otherwise not be a gift as defined in this title.
 3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

- 1 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in
2 bankruptcy.
3

- 4 (C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the
5 Government Code.
6

7 Section 9. Disqualification
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9 No designated employee shall make, participate in making, or in any way attempt to use his/her official
10 position to influence the making of any governmental decision which he/she knows or has reason to know
11 will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public
12 generally, on the official or a member of his/her immediate family or on:

- 13 (A) Any business entity in which the designated employee has a direct or indirect investment worth
14 two thousand dollars (\$2,000) or more;
15 (B) Any real property in which the designated employee has a direct or indirect interest worth two
16 thousand dollars (\$2,000) or more;
17 (C) Any source of income, other than gifts and other than loans by a commercial lending institution
18 in the regular course of business on terms available to the public without regard to official status,
19 aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to
20 the designated employee within 12 months prior to the time when the decision is made;
21 (D) Any business entity in which the designated employee is a director, officer, partner, trustee,
22 employee, or holds any position of management; or
23 (E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$460 or more
24 provided to; received by, or promised to the designated employee within 12 months prior to the
25 time when the decision is made.
26

27 Section 9.3. Legally Required Participation
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29 No designated employee shall be prevented from making or participating in the making of any decision to
30 the extent his/her participation is legally required for the decision to be made. The fact that the vote of
31 a designated employee who is on a voting body is needed to break a tie does not make his/her
32 participation legally required for purposes of this section.
33

34 Section 9.5. Disqualification of State Officers and Employees
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36 In addition to the general disqualification provisions of section 9, no state administrative official shall
37 make, participate in making, or use his/her official position to influence any governmental decision
38 directly relating to any contract where the state administrative official knows or has reason to know that
39 any party to the contract is a person with whom the state administrative official, or any member of his/her
40 immediate family has, within 12 months prior to the time when the official action is to be taken:
41

- 42 (A) Engaged in a business transaction or transactions on terms not available to members of the public,
43 regarding any investment or interest in real property; or
44 (B) Engaged in a business transaction or transactions on terms not available to members of the public
45 regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or
46 more.
47

48 Section 10. Disclosure of Disqualifying Interest

When a designated employee determines that he/she should not make a governmental decision because he/she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

Section 11. Assistance of the Commission and Counsel

Any designated employee who is unsure of his/her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code Section 83114 or from the attorney for his/her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

Section 12. Violations

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000- 91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code Section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

Section 13. Designated Positions and Disclosure Requirements

1. The persons occupying following positions shall file a full statement of economic interests pursuant to Government Code Sections 87200 et seq.:

- Members of the Board of Trustees All Categories
- District Chancellor All Categories
- Assistant Vice Chancellor, Information Technology All Categories
- Associate Vice Chancellor, Institutional Research All Categories
- Vice Chancellor, Human Resources All Categories
- Executive Vice Chancellor, Fiscal Services All Categories
- President, CC All Categories
- President, MJC All Categories

2. Disclosure Categories: The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property which the designated employees must disclosure for each disclosure category to which he/she is assigned.

Category 1

A designated position assigned to this category shall disclose:

- a) Interests in real property within the boundaries of the District that are used by the District or are of the type that could be acquired by the District as well as real property within two miles of the property used or the potential site.
- b) Investments and business positions in business entities and income (including receipt of gifts, loans, and travel payments) from sources of the type that engage in the acquisition or

disposal of real property or are engaged in building construction or design for school districts.

Category 2

A designated position assigned to this category shall disclose:

- a) Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities of the type that manufacture or sell supplies, books, machinery, equipment, vehicles, or services, including training or consulting services, of the type utilized by the District.
- b) Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities of the type that are contractors engaged in the performance of work or services of the type utilized by the District.

Category 3

A designated position assigned to this category shall disclose:

Investments, business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from entities of the type that manufacture, provide, or sell supplies, books, machinery, equipment, vehicles, or services, including training or consulting services, of the type utilized by the department for which the designated position is manager or director, as well as entities that are contractors engaged in the performance of work or services of the type utilized by the department for which the designated position is manager or director.

Designated Positions, and the Disclosure Categories assigned to them, are as follows:

Internal Auditor/Budget Analyst	2
Controller	2
Director of Purchasing	2
District Public Affairs Director	2
Director of Facilities Planning & Operations	2
Transportation Services Manager	2
Auxiliary Services Manager, CC	3
Bookstore Manager, MJC	3
Assistant Director/Campus Facilities Manager, MJC	3
Campus Facilities Manager, CC	3
Vice President of College Administrative Services, CC	3
Director of Media Services	3
Director of Technology Services	3
Director of Enterprise Services	3
Vice President of Student Learning, CC	3
Vice President of College Administrative Services, MJC	3
Vice President of Instruction, MJC	3
Vice President of Student Services, MJC	3
Vice President of Student Services, CC	3

Consultants must be included in the list of designated employees and must disclose pursuant to the broadest disclosure category in this Code subject to the following limitation: The CEO or designee may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirements described in this Section. Such written determination shall include a description of the

1 consultant's duties and, based on that description, a statement of the extent of disclosure requirements.
2 The CEO's or designee's determination is a public record and shall be retained for public inspection in the
3 same manner and location as this Conflict of Interest Code.
4

5 **References:**

6 Government Code Sections [87103\(e\)](#), [87300-87302](#), [89501](#), [89502](#), and [89503](#); Title 2 Sections [18730 et](#)
7 [seq.](#)
8

9 **Procedure Last Revised:** April 13, 2016

10 **Last Reviewed:** April 13, 2016