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## ***BOARD OF DIRECTORS AGENDA REPORT***

MEETING DATE: **JANUARY 25, 2024** ITEM: **8D**

SUBJECT: **Vote on Whether or Not to Approve Change to Policy 2.03 (Conflict of Interest) to Update Allowable Gift Limit From a Single Source to Reflect the FPPC Allowable Gift Limit**

DATE: January 19, 2024

FROM: Michele Richards, CEO

PRESENTATION BY: Michele Richards, CEO

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### *Action Item*

#### **BACKGROUND**

The Fair Political Practices Commission (FPPC) dictates the annual gift limit State employees and Board Members are permitted to receive from a single source each year. Currently, Policy 2.03 (Conflict of Interest) reflects a “value of \$500 accumulated annually from the same source.”

The value limit for 2023 and 2024 was increased to \$590. Typically, the FPPC adjusts this limit every two years. So as not to have to continuously change the policy to reflect the current limit, staff is recommending that the policy be changed to indicate whatever the FPPC limit is for the year in which the gift(s) were received.

Staff is recommending the language in the policy be changed to:

*Specific examples of potential conflicts of interest include, but are not limited to, situations where an employee or Board Member:*

- *Receives compensation, gifts, favors, entertainment, personal advancement, or other benefits of more than the allowable Fair Political Practices Commission (FPPC) limit from a Third Party, which has engaged in, or seeks to engage in, a Transaction with the 32<sup>nd</sup> DAA.*

#### **RECOMMENDATION**

It is the Governance Committee's and staff's recommendation to approve the amendment to Policy 2.03.