



Conflict of Interest Policy

1. PURPOSE

The purpose of this policy is to protect the interest of the New Hartford Public Library (the library) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of the library. The relationship between the library and its trustees, officers, appointees, with administrative responsibilities, employees, and volunteers is one that carries with it a strict duty of loyalty and fidelity. Such persons shall exercise the utmost good faith in all transactions touching upon their duties at the library and its property. They shall not use their positions or knowledge gained therefrom so that a conflict might arise between the interests of the library and that of the individual trustee, officer, appointee, employee or volunteer. All acts of the library's trustees, officers, appointees, employees and volunteers, shall be for the benefit of the library in any dealings that may affect it adversely.

This policy is intended to supplement but not replace any applicable New York State laws governing conflicts of interest applicable to non-profit and charitable libraries.

2. POLICY DEFINITIONS

a) Interested Person. Any trustee, officer, or member of a committee with Board of Trustee delegated power who has a direct or indirect financial interest, as defined below, is an interested person.

b) Financial Interest. A person has a financial interest if he or she personally has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which the Library engages in a business transaction, or arrangement, or
2. A compensation arrangement with the library and any entity or individual with which the library has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity, or individual with which the library is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the board or committee decides that a conflict of interest exists.

3. PROCEDURES

a) Disclosure. The board conflict of interest disclosure form is to be used for disclosure purposes and must be completed prior to voting as a member of the board and annually thereafter.

b) Duty to Disclose. In connection with any actual or perceived conflicts of interest, an interested person must annually disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the board and members of committees with board delegated powers considering the proposed transaction or arrangement.

c) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested party, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

d) Procedures for addressing the Conflict of Interest.

1. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and to be vote on, the transaction or arrangement that results in the conflict of interest.

2. The president of the board or committee chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the board or committee shall determine whether the library can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by majority vote of the disinterested trustees whether the transaction or arrangement is in the best interest of the library and for its own benefit and whether the transaction is fair and reasonable to the library and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

5. If the actual or possible conflict of interest arises from a relationship between an interested person and the library, the disclosure by such interested person shall be referred to the board for review and or forwarding (if required for action) to the appropriate committee.

e) Violations of the Conflicts of Interest Policy.

1. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member the opportunity to explain the alleged failure to disclose.

2. If, after hearing the response of the member and making such further investigation as maybe warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including seeking removal from the board.

4. RECORDS OF PROCEEDINGS

The minutes of the board and all committees with board-delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or perceived conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed: and
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

5. COMPENSATION

- a) A voting member of the board or any committee member whose jurisdiction includes compensation matters who receives compensation, directly or indirectly, from the library for services is precluded from voting on matters pertaining to that member's compensation.

6. ANNUAL STATEMENTS

Each trustee and member of a committee with board delegated powers shall annually sign a statement which affirms that such person:

- a) Has received a copy of the Conflict of Interest Policy of the Library;
- b) Has read and understands that Policy;
- c) Has agreed to comply with that Policy;
- d) Understands that the Library is a charitable organization and that in order to maintain its federal-tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- e) Discloses any potential conflicts of interest in writing.

7. ANNUAL REVIEWS

To ensure that the library operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, annual reviews will be conducted. The periodic reviews will include whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

On an annual basis, all transactions discussed and identified as Conflicts of Interest will be evaluated by the disinterested persons as to whether the transaction meets the requirements of a fair and reasonable transaction in accordance with the NYS Attorney General's guidance.

8. USE OF OUTSIDE EXPERTS

In conducting the annual reviews provided for in this policy, the library may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring that annual reviews are conducted.

9. LOANS

No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through the ordinary deposit of funds in a bank, shall be made by the library to its trustees or to any other library, firm, association or other entity in which one or more of its trustees hold a substantial financial interest.

10. COMPLIANCE WITH LAWS

It is the intention of the library that in all matters related to the library, all members of the board, library officers and members of committees with board delegated powers shall adhere to applicable federal and state laws and regulations. If there is doubt as to the legality of any action or transaction, reasonable legal assistance should be obtained.

11. POLITICAL ACTIVITY

The library respects the rights of members of the board, officers, and members of committees with board delegated powers to be or not to be involved on an individual basis with political activities of their own choosing. No library funds may be used in connection with any such activity and no individual may make political contributions on behalf of the library.

Adopted: December 17, 2008

Revised: December 17, 2014