

Board of Trustees Policy on Conflict of Interest

**STATEMENT:** Library trustees, employees, volunteers and supporters shall exercise the strictest honesty, loyalty, and fidelity in the discharge of their duties and in all dealings with or on behalf of the Library. They shall not use their positions with the Library or any knowledge gained therefrom; or participate directly or indirectly in any arrangement, investment, contract or activity; so as to result in direct or indirect gain or benefit for themselves, their families or their associates.

**PURPOSE:** To prevent the personal interests of Library trustees, employees, volunteers and supporters from interfering with the performance of their duties to the Library, or resulting in personal, financial, professional or political gain on the part of such persons at the expense of the Library or its taxpayers, patrons, supporters and other stakeholders.

**POLICY:**

1. Definitions

**Conflict of Interest:** A conflict, or the appearance of conflict, between the private interests and the official responsibilities of a person in a position of trust. Persons in a position of trust include employees and Trustees of the Library.

**Board:** the Board of Trustees.

**Employees:** People who receive all or part of their income from the payroll of the Library.

**Volunteer:** A person other than a Trustee who does not receive compensation for services and expertise provided to the Library and retains a significant independent decision-making authority to commit resources of the organization.

**Supporters:** Non-profit organizations, such as the Friends of the Red Jacket Community Library, who contribute to the Library.

2. Duties

A. **Trustees** serving on the Board act in a fiduciary capacity and owe to the Library a duty of loyalty and fidelity, it being their responsibility to discharge their duties in good faith, with a high degree of diligence, care and skill, and for the sole benefit of the library. Trustees shall perform their duties with independent judgment of individuals, not as representatives of any group, firm or interest in which they may participate or the ideals or aims of which they may espouse. All actions taken and all decisions made as a trustee should be solely in the interest and for the benefit of the library.

B. **Employees** of the library shall be subject to the Disclosure of Conflicts and Favors provisions of this policy.

C. **Volunteers and supporters** are encouraged to read and abide by this policy. The Board will work with volunteers and supporters to resolve any conflict of interest as they become aware of it. Volunteers and supporters who are unable to resolve a conflict of interest may be removed from their volunteer position by the Board.

3. Disclosure of Conflicts

A. Any duality of interest which might lead to or be considered an actual or potential conflict of interest, financial or otherwise, on the part of any **Trustee** or **employee**, should be disclosed to the Board and made a matter of record upon employment or at the beginning of the member's term of office and annually thereafter, as provided below.

B. **Trustees and officers** (including the Director and Treasurer) should again disclose to the Board any such duality of interest, or of any actual or potential conflict of interest, whenever any matter on which their position might be affected or appear to be affected thereby comes before the Board or any committee on which the person may serve. The minutes of the meeting shall reflect such disclosure.

C. **Employees** should disclose to the Director any such duality of interest, or of any actual or potential conflict of interest they may have with respect to a contract, transaction or other agreement that is not the subject of Board or committee action, as soon as they become aware of it.

4. Participation in Action

A. **Any Trustee** having an actual or potential conflict of interest which might affect or appear to affect his or her position or action on any matter coming before the Board or any committee of the Board or of the library shall not vote or use

their personal influence to affect the deliberations or voting on such matter, and they shall not be counted in determining the quorum of a meeting at which action on such matter is to be taken, even if permitted by law. The minutes of the meeting shall reflect the exclusion from the quorum and deliberations and abstention from voting.

- B. **Any employee** having an actual or potential conflict of interest with respect to a contract, transaction or other agreement must refrain from any action that may affect the Library's participation in such a contract, transaction or agreement.

5. Favors

- A. No employee or member of the Board of Trustees shall accept any favor which might affect or appear to affect their judgment on any matter affecting the library.

IMPLEMENTATION

1. A copy of this resolution shall be delivered to all Trustees and employees upon their election to the Board or the beginning of their employment.
2. Each Trustee or employee, upon receipt thereof, shall promptly make full written disclosure to the President of the Board of Trustees with respect to any transaction, interest, activity or relationship which may violate the policies set forth herein by submitting the Conflict of Interest Annual Statement (Appendix 1G).
3. Each year hereafter, following the annual meeting of the Board, a copy of this resolution shall be transmitted by the President to each Trustee and employee, and each such person shall promptly upon receipt make full disclosure as described in the preceding paragraph.
4. At the next meeting of the Board following the receipt of any facts or disclosures hereunder which indicate the existence of an actual or potential conflict of interest, the President, or the person concerned, shall report such facts to the Board, and the minutes of the meeting shall reflect such disclosure.
5. Should the Board become aware of any failure to disclose an actual or potential conflict of interest or of any other breach of the policies and procedures set forth herein, the matter shall be referred to the Executive Committee for consideration. The Executive Committee may take such corrective action or make such recommendations, including disciplinary action, in the matter as it shall deem appropriate.
6. The foregoing policy on Conflict of Interest is adopted for the guidance of Trustees and employees and is to be enforced solely by the Board of Trustees. No breach of the policies or procedures set forth herein shall affect the validity of any contract, transaction or arrangement entered into by the library except as determined by the Board of Trustees.
7. The policy on Conflict of Interest shall be kept on file in the records of the library for as long as such Policy remains in effect. All Disclosure Statements submitted by trustees and employees shall be kept in the records of the library for the duration of the Trustee's service or the employee's employment and for a period of five years thereafter.