

## **Easton Library Conflict of Interest Policy**

### **Purpose**

The purpose of the conflict of interest policy is to protect the Easton Library's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the library or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

There exists between the Easton Library and its board, officers, director, and employees a broad and unbending duty of loyalty and fidelity. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Easton Library for their personal benefit. The interests of the organization must be the first priority in all decision and actions.

### **Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Easton Library has a transaction or arrangement;
- b. A compensation arrangement with the Easton Library or with any entity or individual with which the Easton Library has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Easton Library is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. 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 appropriate governing board or committee decides that a conflict of interest exists.

### **Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the director and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

## **Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interest person, he/she shall leave the governing 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.

## **Procedures for Addressing the Conflict of Interest**

- a. An interest person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Easton Library can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

## **Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe 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 an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Records of Proceedings**

The minutes of the governing 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 possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- 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 with the proceedings.

## **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Easton Library for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Easton Library for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Easton Library, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Acceptance and Disclosure**

I have received and read a copy of the Easton Library's Conflict of Interest Policy, and agree to comply with this policy. I understand that the Easton Library is a not-for-profit organization with federal tax-exempt status, and as such, it must engage primarily in activities that accomplish its mission for its tax-exempt purpose.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or have had a personal, business, organizational, or compensated relationship intends to engage in any transaction, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or favors that might be covered by this statement of policy regarding conflicts of interest.

In the event that such a situation might arise, I will provide information as described in this policy.

Conflict of Interest Policy adopted: November 10, 2008