

NYACK LIBRARY

CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interests of Nyack Library when it is contemplating entering into a transaction or arrangement that might benefit the private interest or result in a possible excess benefit transaction of a trustee or employee. It is the responsibility of everyone who serves Nyack Library to promote the best interests of the Library over their own personal or financial interests and to maintain the highest standards of integrity and ethical public service. 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. The Audit Committee of the Board of Trustees is responsible for the oversight of this Conflict of Interest policy.

ANNUAL STATEMENTS

All trustees and employees of Nyack Library must report their own conflicts of interest as soon as they become known so that any conflict may be promptly and appropriately managed. All trustees and employees must complete a Conflict of Interest Statement when joining the Library and annually thereafter.

This statement shall affirm that they :

- a. Have received a copy of the Conflict of Interest Policy,
- b. Have read and understand the policy,
- c. Have agreed to comply with the policy and,
- d. Have reported any known possible conflicts of interest

The annual statements are to be collected and reviewed by the Audit Committee. The Audit Committee shall provide a report to the full Board noting whether there are any possible conflicts of interest that need to be discussed. The signed annual statement will then be submitted to the Board Clerk to be kept with the official Board records.

DEFINITIONS

Interested Person: Any employee or member of the Board of Trustees 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 immediate family:

- a. An ownership or investment interest in any entity with which Nyack Library has a transaction or arrangement;
- b. A compensation arrangement with Nyack Library or with any entity or individual with which Nyack 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 Nyack 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. As set forth below, a person with a relevant financial interest has a conflict of interest only if the Audit Committee decides that a conflict of interest exists.

Passive Investment: Financial involvement in an entity or organization for which the person performs no managerial functions, provides no advice, and has no ability to influence the policies, products, or business of the entity or organization. Passive investments include ownership of shares in a public or private company, whether held individually, in a 401K plan, or as an investment in a stock mutual fund or stock market index fund. A passive investment is not a conflict of interest.

ADDRESSING CONFLICTS OF INTEREST

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 Audit Committee.

Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation to the Audit Committee regarding a possible conflict of interest, but after the presentation, the person shall leave the meeting during the discussion of, and the vote on, whether a conflict of interest exists.
- b. If the conflict of interest pertains to a proposed transaction or arrangement, the Chairperson of the Audit Committee may appoint a member of the Audit Committee or a member of the Board of Trustees to investigate alternatives to the proposed transaction or arrangement that would avoid the conflict of interest.
- c. If an alternative transaction or arrangement is not reasonably possible to avoid the conflict of interest, the Board of Trustees shall determine by a majority vote whether the proposed transaction or arrangement is in the best interest of Nyack Library, whether it is fair and reasonable, and whether Nyack Library should enter into the transaction or arrangement.
- d. If a possible conflict of interest is to be addressed at a meeting of the Audit Committee, minutes must be taken at that meeting. The minutes must include: the names of the person 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 Audit Committee's decision as to whether a conflict of interest exists.
- e. If a conflict of interest is or a transaction or arrangement involving a possible conflict of interest is discussed at a meeting of the Board of Trustees, the minutes of that meeting must include the names of the persons who were present for the discussion, 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 issue.
- f. If an interested person disagrees with the Audit Committee's finding that a conflict of interest exists, the issue can be brought to the Board along with the Audit Committee's findings and recommendation. A vote by the majority of the full Board on whether a conflict of interest exists will be a final ruling.

- g. Any interested person with a possible conflict of interest may not vote on the conflict itself or on the transaction or arrangement that gave rise to the conflict. Additionally, an interested person may not attempt to influence the deliberations or voting on the matter giving rise to the conflict.

Violations of the Conflicts of Interest Policy

- a. If the Audit Committee has reasonable cause to believe an interested party has failed to disclose an actual or possible conflict of interest, the Chairperson of the Audit Committee shall inform the interested person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Audit Committee determines the person has failed to disclose an actual or possible of interest, the Audit Committee shall take whatever appropriate disciplinary or corrective action it deems appropriate.

COMPENSATION

If a voting member of the Board of Trustees receives compensation for services from Nyack Library, whether directly or indirectly, that Board member shall not vote on matters pertaining to that member's compensation either at a general Board meeting or at a Board Committee Meeting. That member, however, is not prohibited from providing information to the Board or any committee regarding the member's compensation.

ANNUAL CONFLICT OF INTEREST STATEMENT

All trustees and employees of Nyack Library shall sign this Conflict of Interest Statement annually, no later than the March Board meeting. By signing this document, you are affirming that you have:

1. Received a copy of the Conflict of Interest Policy;
2. Read and understand the policy;
3. Agreed to comply with the policy;
4. Reported any known possible conflicts of interest in the space below

Please describe below any personal, professional, or business relationships, positions, or circumstances in which you are involved that you believe are or could contribute to a conflict of interest.

Date

Print Name

Signature

Title