

# ELLENVILLE PUBLIC LIBRARY & MUSEUM CONFLICT OF INTEREST POLICY

## Purpose

The purpose of the Ellenville Public Library & Museum (EPL&M) Conflict of Interest Policy is to provide clear guidelines for handling perceived, potential or actual Conflicts of Interest and address procedures and disclosures of transactions or arrangements that might benefit the private interest or might result in a possible excess benefit transaction of an officer, trustee, member of the Museum Advisory Board (MAB), staff person or Related Party, and to protect the tax exempt status of EPL&M.

## Definitions

1. Interested Person - any trustee, officer, member of MAB, staff person or member of a committee with powers delegated by the Board who (1) has a direct or indirect Financial Interest, as defined below, and/or (2) is Related Party as defined below.
2. Disinterested Person - any trustee, officer, member of MAB, staff person or member of a committee with powers delegated by the Board who is not an Interested Person.
3. Related Party - any individual who is a spouse or domestic partner, ancestor, brother and sister (whether whole or half-blood), children (whether natural or adopted), grandchild, great-grandchild, and spouses of brothers, sisters, children, grandchildren and great-grandchildren.
4. Financial Interest - a person has a Financial Interest if the person has, directly or indirectly, through business, investment, or a relative:
  - a. An ownership, investment interest or ownership or control of more than 5% of the outstanding stock of a corporation or any entity with which EPL&M has a transaction or arrangement;
  - b. A compensation arrangement with EPL&M or with any entity or individual with which EPL&M has a transaction or arrangement; or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which EPL&M is negotiating a transaction or arrangement;
    - i. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
5. Staff Person - any person who is employed by EPL&M and has the authority to obligate the organization in financial matters.
6. Related Party Transaction - any transaction, agreement or any other arrangement in which a Related Party has a Financial Interest and in which EPL&M is a participant.

7. Conflict of Interest - a Conflict of Interest exists if an outside interest or activity influences or appears to influence the ability of an individual to exercise objectivity or impair the individual's ability to perform his or her responsibility in the best interests of EPL&M.

### Disclosure

8. Initial Disclosure - upon taking office any trustee, officer, or member of a committee with powers delegated by the Board or hiring of any staff person, the trustee, officer, committee member, or staff person shall complete to the best of her/his knowledge, sign and submit to the President of the Board, a written Disclosure Statement, attached as Appendix A.
  - a. All disclosure will be kept on file in the Director's Office.
9. Annual Disclosure - each trustee officer, member of a committee with powers delegated by the Board, member of MAB, and staff person shall annually submit to the President of the Board the written Disclosure Statement, attached as Appendix A.
  - a. All disclosure will be kept on file in the Director's Office.
10. Continuing Duty to Disclose - any actual or possible Conflict of Interest or Related Party Transaction which may arise in the ordinary course of the year and within Board or committee meetings, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Board.
  - a. Such disclosure may be made in a written statement or orally at a meeting of the Board, provided that such oral disclosure is documented in the minutes of the meeting at which such disclosure is made and given to the EPL&M Personnel Committee in accordance with Clause 13.

### Procedures

11. General Prohibitions - an Interested Person is precluded from being present at or participating in any Board or committee deliberation or vote related to the transaction or arrangement giving rise to a Conflict of Interest or Related Party Transaction.
  - a. An Interested Person shall not directly or indirectly attempt to influence improperly the deliberation or voting on the transaction or arrangement giving rise to the conflict.
12. Determining Whether a Conflict of Interest or Related Party Exists - after the Interested Person's disclosure of the existence of and all material facts relating to her/his Financial Interest as required under Clause 11, and after any discussion among the members of the Board and the Interested Person, she/he shall leave the Board of Trustee meeting while the determination of a conflict of interest is discussed and voted upon by the Board.

## Procedures for Addressing Conflicts of Interest & Related Party Transactions

13. Consideration of Alternatives - if the transaction or arrangement is a Related Party Transaction, then consideration of alternatives in accordance with this section is mandatory. For Conflicts of Interest, consideration of alternatives is within the discretion of the Board.
  - a. After disclosure and discussions with the Interested Person, the Board of Trustees shall appoint the Director or a Disinterested Trustee in the event the Conflict of Interest or Related Party Transaction resides with the Director, to investigate alternatives to the proposed transaction or arrangement.
  - b. Alternatives must be presented to the Board for review and exercise of due diligence and consideration to determine whether EPL&M 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 or Related Party Transaction.
  - c. The Board may determine that a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest or Related Party Transaction and may, by a majority vote of the Board, enter into a transaction or arrangement that is in the best interest of EPL&M, notwithstanding a Conflict of Interest or Related Party Transaction.
  - d. All deliberations of alternative transactions and arrangements and the ultimate decisions of the Board must be documented in the minutes of the meeting at which a determination is made. Said documentation should include:
    - i. 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 or Related Party Transaction, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest or Related Party Transaction was present, and the Board's decision as to whether a Conflict of Interest, Related Party Transaction or Substantial Financial Interest in a Related Party Transaction in fact existed.
    - ii. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions at the meeting regarding the proposed transaction or arrangement, including the alternatives to the proposed transaction or arrangement considered, if any.
    - iii. The determination as to whether the transaction or arrangement is fair, reasonable and in the best interest of EPL&M, whether it gives rise to the Conflict of Interest or Related Party Transaction, or not, and must include the basis for such approval.
    - iv. A record of any votes taken in connection with the proceedings.

## Oversight & Reviews

14. Oversight Responsibility - the Board shall oversee the adoption of, implementation of, and compliance with this Conflict of Interest Policy in accordance with the procedures contained herein.
15. Violations of the Conflicts of Interest Policy - if the Board has reasonable cause to believe a trustee, officer, member of MAB, or staff person has failed to disclose actual or possible Conflicts of Interest or Related Party Transaction:
  - a. The Board shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the trustee, officer, member of MAB, or staff person's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall take appropriate disciplinary and corrective action, up to and including dismissal or termination, and referral to the New York State Board of Regents for possible removal of a trustee, pursuant to New York State Education Law.

This policy is intended to supplement but not replace any applicable state and federal laws governing Conflict of Interest applicable to nonprofit organizations, as well as, the Bylaws of the Ellenville Public Library & Museum Board of Trustees.

Adopted by the Board of Trustees  
August 17, 2015  
Reaffirmed by the Board of Trustees  
April 17, 2017

# APPENDIX A

## Ellenville Public Library & Museum Disclosure Statement

Approved form ()

Name: \_\_\_\_\_ EPL&M Title: \_\_\_\_\_

\_\_\_\_\_

**SECTION 1**  
**Employment and Board Memberships**

Please list you and your spouse's employer(s), Board membership(s) and position(s).

<u>Individual</u>	<u>Employer/Board</u>	<u>Position</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

None

**SECTION 2**  
**Private Business Interests**

Please list you and your spouse's private business interests, excluding corporations in which you or your spouse own or control less than 5% of the outstanding stock.

<u>Individual</u>	<u>Name of Business</u>	<u>Form of Business<sup>1</sup></u>	<u>Nature of Interest<sup>2</sup></u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

None

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Print Name: \_\_\_\_\_

<sup>1</sup> Enter the manner in which the business is organized, e.g. sole proprietorship, partnership, corporation etc.

<sup>2</sup> Enter the relationship between you or your spouse and the business, e.g. owner, member,

partner, stockholder, director, officer, employee etc.