

# Conflict of Interest Policy

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## Introduction

This Conflict of Interest Policy is intended to ensure that:

1. All Board policy decisions and organizational transactions are never tainted with an actual or perceived conflict of interest.
  2. No Board member or staff is ever charged with personal profit to themselves or certain family members as a result of having served as a member on this Board of Directors or participated in business decisions.
  3. The organization is placed in conformance with regulations that are now in effect with national accrediting and state funding and regulatory bodies.
  4. The organization avoids conflicts of interest that may require rescission of certain contracts, loans or transactions, and avoids transactions, which may be in violation of laws applicable to not-for-profit corporations and providers of services licensed by New York State Agencies.
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## Form

The Conflict of Interest Disclosure Form should be utilized to identify and provide notice to the corporation of potential conflicts of interest.

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## Policy

It is the policy of this Board of Directors that no Board member or staff shall use his or her office to personally profit or be perceived as directly or indirectly profiting in any way from the transaction of any business with this organization. Transactions include the sale of services or products, the use of capital, and the lease and/or purchase of real estate.

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## **Conflict of Interest** Continued

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In addition, Board members shall not influence the administrative execution of established board policies, such as in the areas of purchasing, the appointment or termination of personnel, and the administration of other organizational duties, which have been delegated to administration. Members of the Board of Directors will support and abide by the organization's established due process whenever a complaint or concern arises.

This policy is not meant to rule out transactions between The Sinclairville Free Library and other persons or entities where an interest or a relationship between a Board member or staff and such a person or entity exists which require proper disclosure and which are documented as being the outcome of established Purchasing Policies and Procedures, and are determined to be in the best interest of the organization.

Each member of the Board of Directors, of Board Advisory Committees and all staff shall disclose to the Board of Directors or appropriate committee any relationship that the member currently has or has had during the previous twelve (12) months with any person, entity or matter under review for decision by the Board of Directors. Any member who has such a relationship must disclose it prior to the issue being deliberated. Interests or relationships requiring such disclosure shall include but are not limited to the following:

1. Ownership of capital stock, partnership, or other proprietary rights;
2. Ownership of notes, bonds, or other claims as a creditor;
3. A direct or indirect beneficial interest through a trust, power of attorney, or other relationship, including employment; OR
  - a. An entry or enterprise that sells goods or services to The Sinclairville Free Library in amounts exceeding \$5,000;
  - b. An entity or enterprise in which assets of The Sinclairville Free Library are deposited or invested;
  - c. An entity or enterprise that has sought or is seeking any other business connection with The Sinclairville Free Library.

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## **Conflict of Interest** Continued



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To maintain compliance with New York's Non-Profit Revitalization Act (7/1/14), in the event of a disclosure of a conflict of interest with respect to a matter before the Board of Directors or a Board Advisory Committee, the party making the disclosure may be counted in determining the presence of a quorum but will not be present or participate in the deliberations or voting. They also will refrain from prejudicing or biasing other individuals involved in the deliberations when the party or a member of his/her family has any financial interest in the transaction.

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**Procedure**

1. Members of the Board of Directors shall complete and file a Conflict of Interest Disclosure Form with the Executive Director prior to their election or re-election to the Board of Directors and annually during multi year terms.
2. Members of the Board Advisory Committees will be advised of this Policy by the Executive Director annually or prior to their appointment to the committee.
3. All staff shall review the Conflict of Interest policy within sixty (60) days after their date of hire and complete and file a Conflict of Interest Disclosure Form with the Executive Director, if applicable. Annually thereafter, the same procedure will be required during their birth month. It remains their responsibility to complete and file a new form whenever a change occurs.
4. The Executive Director and Board President shall review all Conflict of Interest Disclosure Forms and report any actual or perceived conflicts of interest to the Board of Directors at their next meeting.

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**Conflict of Interest Continued**

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**Procedure**  
(Continued)

5. In the event that a contract or other transaction is before the Board of Directors or a Board Advisory Committee, and the contract or other transaction is between The Sinclairville Free Library and one or more of its directors, officers, committee members or managerial or designated staff, or between The Sinclairville Free Library and any other corporation, firm, association or other entity in which one or more of such persons are directors, officers, or employees, or have an indirect or direct substantial financial interest, the material facts as to such person's interest in such contract or transaction and as to any such *common* directorship, officership or financial interest shall be disclosed in good faith or made known to the board or committee prior to any vote or action authorizing such contract or transaction. Such person will refrain from voting and from prejudicing or biasing other individuals involved in the deliberations when the person or any member of his/her family has any financial interest in the transaction.
6. No loans other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by The Sinclairville Free Library to one or more of its directors or officers, or to any other corporation, firm, association or other entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest, except a loan to a type B corporation as defined in the Not-for-Profit Corporation law.



**Procedure**  
(Continued)

7. No loans, other than through the purchase of bonds, debenture, or similar obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by The Sinclairville Free Library to one or more of its employees who receive an annual salary in excess of thirty thousand dollars, or to any other corporation, firm, association or other entity in which such employee is a director or officer or employee or holds a direct or indirect substantial financial interest, except a loan to a type B corporation pursuant to the not-for-profit corporation law, or a loan for a temporary or emergency purpose which will further the health and welfare of the employee so long as the purpose and amount of such loan are disclosed in writing to and approved by the Board of Directors. Such disclosure shall be filed with the Board Secretary and entered in the minutes of the meeting, and if approved by the Board, such disclosure shall also be forwarded in writing to the Commissioner of the Office of Persons with Developmental Disabilities, Commissioner of the Office of Mental Health and, if applicable, the Director of Community services pursuant to Mental Hygiene Law Section 16.32(b).
8. In the event that The Sinclairville Free Library enters into an agreement for the purchase, lease, rehabilitation or improvement of real property or a cooperative share in real property, any employee who receives an annual salary in excess of thirty thousand dollars, or any board member, or officer who has a direct or indirect either financial or beneficial interest (e.g. beneficiary of a trust) in such property including the interest of any person with whom he or she is related, shall disclose such interest prior to the making of such agreement. Disclosure shall be made in writing to the Board of Directors and shall indicate the material facts as to the member's, officer's, employee's or relative's interest in such property or cooperative share. Such disclosure shall be filed with the Board Secretary and entered on the minutes of the meeting. Such disclosure shall also be forwarded in writing to the Commissioners of OPWDD and OMH, and the Director of Community Services pursuant to Mental Hygiene Law Section 41.46.

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**BOARD APPROVED**

12/2/15