

Schuylkill Valley Community Library Conflict of Interest Policy

I. Purpose

The purpose of this policy is to protect the Schuylkill Valley Community Library's (SVCL) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member, officer, member of a committee with governing board-delegated powers, or employee who is considering a proposed transaction or arrangement for SVCL; 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 governmental, nonprofit, or charitable organizations.

II. Definitions

A. Contract — An arrangement for the acquisition or use by SVCL of services, supplies, materials, equipment, land, or any other personal or real property.

B. Interested Person — Any board member, officer, or member of a committee with governing, board-delegated powers, or SVCL employee who is considering a proposed transaction or arrangement who has a direct or indirect financial interest, as defined below.

C. Financial Interest — A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which SVCL has a transaction or arrangement;
2. A compensation arrangement with SVCL or with any entity or individual with which SVCL has a transaction or arrangement.
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SVCL is negotiating a transaction or arrangement.

D. Compensation — Direct and indirect remuneration as well as gifts, gratuities, or favors that are not insubstantial.

III. A financial interest is not necessarily a conflict of interest. Under the instructions below "Determining Whether a Conflict of Interest Exists", 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.

IV. Ethical Guidelines

A. Each board member, officer, or member of a committee with governing board-delegated powers, or SVCL employee is expected to perform his or her duties in accordance with the law and the highest ethical standards.

B. As a board member, officer, or member of a committee with governing board-delegated powers, or SVCL employee, you, or any member of your family, are prohibited from having a financial interest in any contract with SVCL in which you are employed or influencing, or attempting to influence, the making of any contract in which you have a financial interest.

V. Acceptance of Gifts, Gratuities, or Favors

A. No board member, officer, or member of a committee with governing board-delegated powers, or SVCL employee, any member of his or her immediate family, or any business in which he or she has a principle interest, shall accept any gift, gratuity, or favor from

any source doing or seeking to do business with SVCL or attempting to influence the judgment of such employee or official.

- B. Except, as otherwise prohibited by law, the foregoing shall not prohibit SVCL from accepting any gift, gratuity, or favor of a fair market value (regardless of the donor's cost) of one hundred dollars (\$100.00) or less. Provided the gift, gratuity or favor shall be physically retained by SVCL and made available for the use or enjoyment of all employees of SVCL, and provided further, only one such gift from the same donor may be accepted annually.
- C. Any offer to SVCL of a gift, gratuity, or favor of a fair market value in excess of one hundred dollars (\$100.00) shall be referred to SVCL board, which shall determine at a public meeting whether to accept, or reject such gift, gratuity, or favor on behalf of SVCL.
- D. This policy is not intended to prohibit a board member, officer, or member of a committee with governing board-delegated powers, or SVCL employee, or members of their families, while in attendance at a conference or gathering of a statewide or regional association of such people, from accepting meals and hospitality from sponsoring entities, provided all persons in attendance at such conference or gathering are invited to attend or participate in the sponsored activity.

VI. Procedures

- A. **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 governing board, or members of committees with governing board-delegated powers who are considering the proposed transaction or arrangement. In the case of an SVCL employee, the matter shall be referred to the governing board for decision following the procedures listed below.
- B. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or 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.
- C. **Procedures for Addressing the Conflict of Interest:** An interested 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.
 - 1. 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. In the case of SVCL employees, the matter shall be referred to the governing board for decision.
 - 2. After exercising due diligence, the governing board or committee shall determine whether SVCL 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.
 - 3. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in SVCL's best interest, for its own benefit, and whether it is fair.

VII. Violations of the Conflicts of Interest Policy:

- A. If the governing board or committee has reasonable cause to believe an individual has failed to disclose actual, or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- C. Violations of this policy may result in disciplinary action, up to and including discharge, and possible prosecution. Disciplinary actions shall be consistent with board policies, procedures, [applicable collective bargaining agreements], and state and federal laws.
- D. In the event an investigation determines that a violation of this policy has occurred involving a federal award, the violation shall be reported in writing to the federal awarding agency in accordance with that agency's policies.

VIII. 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.

IX. Compensation

- A. A voting member of the governing board who receives compensation, directly or indirectly, from SVCL 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 SVCL 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 SVCL, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

X. Annual Statements

Each board member, officer, member of a committee with governing board-delegated powers, and SVCL employee who considers proposed transactions or arrangements shall annually sign a statement which affirms such person: (Form for annual statement is included below.)

- A. Has received a copy of the conflict of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy

D. Understands the Organization is either a government agency or is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

XI. Organizational Conflicts

- A. Organizational conflicts of interest may exist when, due to SVCL's relationship with a subsidiary, affiliated or parent organization that is a candidate for award of a contract in connection with federally funded activities, SVCL may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.
- B. In the event of a potential organizational conflict, the potential conflict shall be reviewed by SVCL board to determine whether it is likely that SVCL would be unable or appear to be unable to be impartial in making the award. If such a likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:
 - 1. The organizational relationship shall be disclosed as part of any notices to potential contractors;
 - 2. Any SVCL employees or officials directly involved in the activities of the related organization are excluded from the selection and award process;
 - 3. A competitive bid, quote, or other basis of valuation is considered; and
 - 4. The Board has determined that contracting with the related organization is in the best interests of the program involved.

Conflict of Interest Policy Acknowledgment for the Period: _____

I have read and understand the Schuylkill Valley Community Library's Conflict of Interest Policy. As a board member, principal officer, or member of a committee with governing board-delegated powers or an SVCL employee who considers transactions or arrangements for the SVCL, I understand that this Conflict of Interest Policy applies to me.

I understand that I am expected to conduct business in accordance with the letter, spirit, and intent of all relevant conflict of interest laws and the Conflict of Interest Policy and to refrain from any illegal, dishonest, or unethical conduct.

I understand that if a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with the board and/or with the chair or his or her designee (such as SVCL's director) for advice and consultation.

Furthermore, I understand that this document can be amended at any time.

In compliance with the Schuylkill Valley Community Library's Conflict of Interest Policy, the business and professional activities in which, I or an immediate family member hold as an owner, officer, board member, partner, employee, or other beneficiary position as of the following date: _____ are as follows:

Name of Business/Organization: _____

Name of Person: _____

Position Held: _____

(Continue on reverse side as needed)

Other not-for-profit organizations with which I or a family member is associated and which might reasonably expect to do business with the Organization are as follows:

Name of Business/Organization: _____

Name of Person: _____

Position Held: _____

(Continue on reverse side as needed)

Other activities that may produce a possible conflict of interest:

(Continue on reverse side as needed)

In addition, I recognize the need to maintain confidentiality regarding information I might receive as a board member, officer, member of a committee with governing board-delegated powers, or SVCL employee regarding SVCL customers, donors, donations, and other activities of the Schuylkill Valley Community Library

Signature: _____ Date: _____

Print Name: _____