

**APPENDIX C
CONFLICT OF INTEREST POLICY
EMMA S. CLARK MEMORIAL LIBRARY**

1. Obligations of Trustees and Employees

Trustees and employees of the Library have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes the framework within which the Library wishes its business to operate. The purpose of these guidelines is to provide general direction so that employees and trustees can seek further clarification on issues related to the subject of acceptable standards of operation.

2. Duty to Disclose

If an employee or trustee has any influence on transactions involving purchases, contracts, or leases from which he/she may gain financially in a material amount, he/she has a duty to disclose to the Board the existence of any actual or potential conflict of interest.

3. What Constitutes Conflict of Interest

An actual or potential conflict of interest occurs when an employee or trustee is in a position to influence a decision that may result in a personal gain for the employee or trustee or for a family member as a result of the Library's business dealings. For the purposes of this policy, a trustee or employee has an interest in a proposed transaction if he/she has a financial interest in it in a material amount, or has a financial interest in any organization involved in the proposed transaction (other than a nominal interest in a publicly traded company), or holds a position as trustee, director, or principal officer in any such organization, or receives any indirect remuneration or gifts or favors from such organization.

4. Determining Whether a Conflict of Interest Exists

- a) A prospective trustee or employee shall complete an application which requests information regarding past or present business dealings with the Library. If the applicant responds in the affirmative, the Board shall be notified by the Nominating Committee or Director prior to appointment. The Board shall determine by a majority vote whether a conflict of interest exists.
- b) After disclosure by a current trustee or employee of an interest in a proposed transaction, the interested person shall leave the Board or committee meeting while the nature and amount of the financial interest is discussed. The remaining disinterested Board or committee members shall determine by a majority vote whether a conflict of interest exists.

5. Procedure for Addressing the Conflict of Interest

If it is decided that a conflict of interest exists, the Board shall determine by a majority vote of the disinterested trustees whether the transaction is in the Library's best interests and shall proceed accordingly.

6. Violations of the Conflict of Interest

If the Board has reasonable cause to believe that a trustee or employee has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis of its belief and allow the person an opportunity to explain the alleged failure to disclose. The Board shall then take appropriate action.

7. Annual Statements

Each trustee and employee shall annually sign a "Conflict of Interest Affirmation of Compliance" (see attached form).

Approved 3/19/08