

Katonah Village Library Conflict of Interest Policy

For purposes of this policy, trustees, directors, officers and employees are required to disclose any relationship or situation that presents a potential conflict of interest. A conflict of interest arises when a trustee, director, officer, or employee may benefit financially from a decision made in the capacity as a trustee, director, officer or employee, including any direct or indirect benefit to family member(s) or closely associated business(es).

Article I –Purpose

1. The purpose of this conflict of interest policy is to protect the Katonah Village Library (KVL) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a covered person or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II—Definitions

1. **Covered Person:** any member of the KVL Board of Trustees, and any KVL employee.
2. **Interested person:** any member of the KVL Board of Trustees, and any KVL employee who has a direct or indirect financial interest, as defined in Article II, Section 3.
3. **Financial interest:** a covered person has a financial interest if the person has, directly or indirectly through business, investment, or family:
 - a. An ownership or investment interest in any entity with which KVL has a transaction or arrangement;
 - b. A compensation arrangement with KVL or with any entity or individual with which KVL has a transaction or arrangement:
 - i. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KVL is negotiating a transaction or arrangement.

Article III -- Procedures

1. **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 KVL Board of Trustees.
2. **Recusal of Self:** Any covered person may recuse at any time from involvement in any decision or discussion in which the covered person believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
3. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the KVL Board of Trustees, the covered person shall leave the Board of Trustees meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
4. **Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at a KVL Board of Trustees meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The KVL Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the KVL Board of Trustees shall determine whether KVL 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the KVL Board of Trustees shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in KVL's best interest, for its own benefit, and whether it is fair and reasonable. Pursuant to that determination, the party seeking the determination shall be free to enter into the proposed arrangement or transaction.

5. Violations of the Conflicts of Interest Policy

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

Article IV – Records of Proceedings

The minutes of the 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; (b) the nature of the financial interest; (c) any action taken to determine whether a conflict of interest was present; (d) the Board's or Committee's decision as to whether a conflict of interest in fact existed; (e) the names of the persons who were present for discussions and votes relating to the transaction or arrangement; (f) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and (g) a record of any votes taken in connection with the proceedings.

Article V – Compensation

A covered or interested person who receives compensation, directly or indirectly, from KVL is precluded from voting on matters pertaining to the compensation.

Article VI – Annual Statements

Each covered person shall annually sign a statement which affirms they have received a copy of this policy, has read and understands this policy, and if at any time during the year the information in the annual statement changes materially, the covered person shall disclose such changes and revise the annual disclosure form.

Approved by Board February 23, 2015

Acknowledgement: _____

Signature: _____

Print name: _____

Date: _____