

# ESSEX LIBRARY ASSOCIATION

ESSEX, CONNECTICUT 06426 • (860) 767-1560

## **BOARD OF DIRECTORS CONFLICT/DUALITY OF INTEREST POLICY**

The proper governance of The Essex Library Association depends on volunteer members of the Board of Directors who have numerous other interests and relationships, from which are derived important skills and experience. Such varied interests and relationships are valuable in informing board deliberations, but may result in situations involving a duality of interest that could result in or be interpreted as a conflict of interest as to specific matters before the board or a board committee.

A board member's service should not be precluded solely by reason of duality of interest or possible conflict. Such situations can best be managed by board members' full disclosure of all outside interests having a bearing on board service, and through non-involvement by affected board members, when appropriate, in votes, decisions, or discussions involving the interest.

The purpose of the conflicts of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

### **Definitions:**

Related Person of a director means (A) the spouse, or a parent or sibling thereof, of the director, or a child, grandchild, sibling, parent or spouse of any thereof, of the director, or an individual having the same home as the director, or a trust or estate of which an individual specified in this subparagraph is a substantial beneficiary, or (B) a trust, estate, incompetent, conservatee or minor of which the director is a fiduciary,

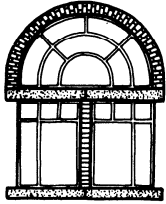
1. Interests and relationships covered by this policy include both financial and fiduciary situations. Circumstances of a board member that invoke this policy include an ownership or contractual interest having financial value and/or an officer, trustee or director position requiring loyalty.
2. A financial interest shall include, directly or indirectly, through business, investment, or related person(s) any ownership or investment interest, any compensation arrangement, or any potential ownership or investment interest in, any entity or individual with which the Association has or is negotiating a transaction or arrangement.
3. Board members shall not accept cash gifts of any amount. Non-cash gifts of one hundred dollars (\$100.00) or less and reasonable meal and entertainment courtesies are acceptable provided they do not compromise loyalty to the Association. Such non-cash gifts shall be limited to one per year from any one individual or entity.
4. Any duality of interest or possible conflict of interest on the part of a board member shall be disclosed to the other members of the board and made a matter of record, by (a) an

annual disclosure procedure; (b) an update when a board member's circumstances change between annual disclosure; and (c) a disclosure when a matter comes before the board that involves an interest covered by this policy.

5. If a board member discloses a conflict of interest or possible conflict of interest, that board member shall leave the board or committee meeting while the issue is discussed and voted upon. That board member shall not be precluded, however, from briefly stating his or her position on a matter or from answering pertinent questions by other board members prior to leaving the meeting.
6. Any board member having a duality of interest or possible conflict on any matter shall not vote or use personal influence on the matter and shall not be counted in determining a quorum for purposes of action on the matter. The minutes of the meeting shall reflect the name of the person who disclosed, the nature of the disclosure, any action taken to determine whether a conflict of interest was present, the board's or committee's decision as to whether a conflict of interest existed, any abstention from voting, and the quorum situation.
7. Any voting member of a committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Adopted by the Board of Directors 4/25/2000



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**Board Of Directors**

**Conflict Of Interest Disclosure Form**

I have read and understand the policy of the Essex Library Association and its subsidiaries (Association) as set forth in the Conflict of Interest Policy, and pledge to comply with its terms.

I understand that full and broad disclosure by Board members of their responsibilities, roles and financial interests (whether direct or indirect) in organizations or businesses that might present conflicts or dualities of interest promotes compliance with the Policy and helps me meet my commitments to the Association.

“Related person” means: (A) the spouse, or a parent or sibling thereof, of the director, or a child, grandchild, sibling, parent or spouse of any thereof, of the director, or an individual having the same home as the director, or a trust or estate of which an individual specified in this subparagraph is a substantial beneficiary, or (B) a trust, estate, incompetent, conservatee or minor of which the director is a fiduciary.

1. To the best of your knowledge, presently or potentially in the future, do any of the organizations of which you or a related person is a trustee or director, officer, or employee, or in which you or a related person have a significant financial interest engage in business with or compete with the Association? If so, please list below.

None

2. Except as previously listed, do you have other financial interests that might affect your judgment while serving in your capacity on the Association board?

None

3. Except as already disclosed, do you have other interests (financial or non-financial) that might create an “appearance” of a conflict of interest with the interests of the Association?

None

4. Is there anything else that might affect your loyalty to the Association or your actual or apparent ability to act in the best interests of, and fairly to, the Association?

None

5. Have you accepted any gifts (greater than \$100.00), or entertainment, loans, favors, or other benefits from any person or entity seeking to do business with or doing business with the Association?

None

6. Do you or any related person(s) own or have a significant financial interest in any real estate or other property that is being leased to or held for sale to the Association or any of its subsidiaries and affiliated organizations?

None

7. Is there anything else, not mentioned in the answers to the questions above that might create a conflict of interest for you in carrying out your role for the Association?

None

I agree to report promptly to the Chairman of the Board of Trustees any changes in the above information that comes to my attention before the completion of my next disclosure form.

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

Date: