



Conflict of Interest Policies and Procedures

Policy

This *Conflict of Interest Policy* is designed to help Board members, the Executive Director, employees, and others associated with SCRLC identify situations that present potential conflicts of interest. Furthermore, this policy provides SCRLC with a procedure to appropriately manage conflicts in accordance with legal requirements and to meet the goals of accountability and transparency in its operations.

Definitions

Conflict of Interest: Conflicts of interest can arise on the part of Board members, the Executive Director, employees, and volunteers. Conflicts of interest are “personal” and not “organizational.”

Contract or Transaction: Any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to SCRLC is not a contract or transaction.

Family Member: A spouse, domestic partner, parent, step-parent, child or spouse of a child, sibling or spouse of a sibling, grandparent, grandchild, in-law, or corresponding family member of any person’s spouse or domestic partner.

Material Financial Interest in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect the judgment of a Board member, employee, volunteer or anyone else associated with SCRLC with respect to transactions to which the entity is a party.

The following circumstances create a conflict of interest:

A Board member, Executive Director, employee, or volunteer (or family member of any of the foregoing) who is personally involved as a party to a contract or involved in a personal transaction with SCRLC for goods or services, receiving a direct or indirect benefit.

A Board member, Executive Director, employee, or volunteer (or a family member of any of the foregoing) who has a personal material financial interest in a transaction between SCRLC and an entity in which the Board member, Executive Director, employee, or volunteer (or a family member of the foregoing) is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.

A Board member, Executive Director, employee, or volunteer (or a family member of the foregoing) who is engaged personally in some capacity or has a personal material financial interest in a business or enterprise that competes with SCRLC.

Other situations may create the appearance of a conflict, or present a duality of interests in connection with a person who has influence over the activities or finances of SCRLC. All such circumstances should be disclosed to the Board or Executive Director, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of SCRLC are not compromised.

Gifts, Gratuities, Honoraria, and Entertainment. Accepting these items or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value unrelated to any particular transaction or activity.

Procedures

Board Members: Prior to Board action on a contract or transaction involving a conflict of Interest, the Board member having a conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

A Board member who plans not to attend a meeting at which he or she has reason to believe that the Board will act on a matter in which the person has a conflict of interest shall disclose to the Chair of the meeting all facts material to the conflict of interest. The Chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

A Board member having a conflict of interest shall not participate in or be permitted to hear the Board's discussion of the matter except to disclose material facts and to respond to questions. He or she shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

A Board member who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

The Board member having a conflict of interest may not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.

Employees and Volunteers: Those having a conflict of interest with respect to a contract or transaction that is not the subject of the Board, shall disclose to their supervisor, or the Executive Director, any conflict of interest that she or he has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest is known to the employee or volunteer in question; she or he shall refrain from any action that may affect SCRLC's participation in the contract or transaction. If it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or to the Executive Director, who shall determine whether Board discussion is warranted or whether there exists a conflict of interest that is subject to this policy.

If Board members are aware that staff or volunteers have a conflict of interest, relevant facts should be disclosed by the Board member or by the interested person him/herself, if invited to the Board meeting. The individual having conflict of interest shall not participate in or be permitted to hear the Board's discussion of the matter except to disclose material facts and to respond to questions; nor shall he or she be present in the meeting room when the vote is

taken, unless the vote is by secret ballot. He or she shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

Confidentiality: Each Board member, Executive Director, employee, or volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of SCRLC. Furthermore, Board members, the Executive Director, employees or volunteers shall not disclose or use information relating to SCRLC's business for personal profit or advantage or the personal profit or advantage of their family member(s).

Review of Policy: Each board member, director, employee or volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.

Annually, each Board member, Executive Director, employee or volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which she or he is involved and that he or she believes could contribute to a conflict of interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to SCRLC. Any such information regarding the business interests of a Board member, Executive Director, employee or volunteer (or a family member thereof) shall be treated as confidential and shall generally be made available only to the Board President, the Executive Director, and any committee appointed to address conflicts of interest, except to the extent additional disclosure is necessary in connection with the implementation of this *Policy*.

Subsequent Disclosure: If at any time during his or her term of service, a Trustee, employee or volunteer acquires any interest or otherwise a circumstance arises which may pose a conflict of interest, that interest or other conflict shall be promptly disclosed to the President of the Board (Trustees) or to the Executive Director (staff and volunteers).

This *Policy* shall be reviewed annually by each member of the Board of Trustees, employee, or volunteer. Any changes to the policy shall be communicated to all Trustees, staff and volunteers.

Approved by the Board of Trustees, March 2010
Amended by the Board of Trustees, March 31, 2017
Amended by the Board of Trustees, May 19, 2017



**South Central Regional Library Council
Conflict of Interest and Ethics Certification**

A Conflict of Interest and Ethics Certification must be completed and signed by each Board member employee, or volunteer during the first Board or staff meeting of the year. Board members, employees, or volunteers who are absent or who begin mid-year will complete and sign the document before the next Board meeting or at the time of employment.

Conflict of Interest Disclosure

Please Circle 'Yes' or 'No' and Answer as Appropriate.

1. Have you had a direct or indirect business relationship during the past calendar year or current year with SCRLC through ownership of more than 35% with any person who is a current or former officer, director, Trustee or key employee of SCRLC?

Yes (please describe below) No

2. Do you have a family member who had a direct or indirect business relationship with SCRLC during the past calendar year or current year?

Yes (please describe below) No

3. Other than your role in an SCRLC member institution (if you are a Trustee), did you serve as an officer, director, Trustee, key employee, partner or member of an entity (or a shareholder of a professional corporation) that did business with SCRLC during the past calendar year, is currently or may be doing business in the current year?

Yes (please describe below) No

4. Did you have during the past calendar year or current year, or anticipate having a conflict(s), as defined in the Bylaws or Employee Handbook, that has not been previously disclosed herein?

Yes (please describe below) No

Certification

I, the undersigned, certify that I have read and understand SCRLC's Conflict of Interest and Ethics Statements. I agree that my actions will fully comply with the statements and their intent. I affirm that neither I, nor any member of my family or household, has had an interest or taken any action which counters the Conflict of Interest policy of the organization or impedes my ability to act as a fiduciary or in the best interests of SCRLC, except potentially those interests or actions as stated and fully disclosed above.

Board Member/Employee/Volunteer Name (Print)

Signature _____

Date _____