

## **CHENEY LIBRARY**

### **CONFLICT OF INTEREST POLICY**

The Conflict-of-Interest Policy is designed to help trustees and employees of Cheney Library identify situations that present potential conflicts of interest and provide Cheney Library with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a trustee or employee has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall take precedence.

Because the presence or perceived presence of a Conflict of Interest may exist apart from any wrongdoing, it is NOT mandatory that any and all situations where a potential Conflict of Interest exists be unequivocally avoided by Cheney Library. It IS required that any potential conflict be transparently offered up to the Library Board for assessment.

#### **1. CONFLICT OF INTEREST defined:**

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

##### **A. Outside Interests:**

1. A contract or transaction between Cheney Library and a Responsible Person or Family Member.
2. A contract or transaction between Cheney Library and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is an agent, partner, associate, representative, guardian, custodian, or other legal representative.

##### **B. Outside Activities:**

1. A Responsible Person competing with Cheney Library in the rendering of services or in any other Contract or Transaction with a third party.

2. A Responsible Person having a Material Financial Interest in or serving as an employee, agent, partner, associate, personal representative, consultant to an entity or individual that competes with Cheney Library in the provision of services or in any other Contract or Transaction with a third party.

#### C. Gifts, Gratuities, and Entertainment:

A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that...

1. does, or is seeking to do business with, or is a competitor of, Cheney Library.
2. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments.
3. is a charitable organization; under circumstances where it might be inferred that such action was intended to influence a Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value that are not related to any particular transaction or activity of Cheney Library.

#### 2. DEFINITIONS:

A Conflict of Interest is any circumstance described in part 1 of this policy.

A Responsible Person is any person serving as a trustee, employee, or volunteer of Cheney Library.

A Family Member is a spouse, domestic partner, parent, child, cousin, or spouse of a child, sibling, cousin of a Responsible Person.

A Material Financial Interest is an entity of any kind that would, or reasonably could, affect a Responsible Person or Family Member's judgment with respect to any transaction of which the entity is a party. This includes all forms of compensation.

A Contract or Transaction is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, or the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by Cheney Library. The making of a Gift to Cheney Library is not a Contract or Transaction.

#### PROCEDURES:

Before Board of Trustees' action on a Contract or Transaction involving a Conflict of Interest, the trustee, employee, or library volunteer having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts deemed material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

Any trustee, employee (full or part-time or temporary) or contractor employed by Cheney Library, or volunteer 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 President of the Board of Trustees all facts deemed material to the Conflict of Interest. The President shall report the disclosure at the meeting and said disclosure shall be reflected in the minutes of the meeting.

A person who has 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. Such person shall not attempt to exert his or her personal influence with respect to the matter either at or outside the meeting.

A trustee 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 trustee having the 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. In addition, a person may have a Conflict of Interest even if he or she stands for election to Cheney Library's Board of Trustees.

In the event that is not entirely clear that a Conflict of Interest exists, the individual with the POTENTIAL conflict shall disclose the circumstances to the President of the Board of Trustees or his/her designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

**CONFIDENTIALITY:** Each Responsible Person shall exercise care not to disclose confidential information in connection with such status or information (the disclosure of which might be averse to the interests of Cheney Library). Furthermore, a Responsible Person shall not use information relating to the business of Cheney Library for the personal profit or advantage of the Responsible Person or Family Member.

#### **REVIEW OF POLICY:**

Each new Responsible Person shall be required to review a copy of the policy and to acknowledge in writing that he or she has done so.

Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Any such information regarding business interests of a Responsible Person or Family Member shall be treated as confidential.

Example: Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest.

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**Acknowledgment.**

Any trustee, employee (full or part time or temporary) or contractor employed by Cheney Library, or volunteer named below understands the procedure for conflicts of interest with Cheney Library, including his/her duty to disclose any known or potential conflicts.

Furthermore, the employee (full or part time or temporary) or contractor agrees to abide by the procedures outlined in this policy for the duration of his/her professional relationship with Cheney Library.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Revised and adopted by the Cheney Library Board of Trustees January 24, 2023**