

FROTHINGHAM FREE LIBRARY CONFLICT OF INTEREST POLICY

Purpose

This policy is meant to protect the Frothingham Free Library when proceeding with arrangements or transactions that could benefit a board member or employee of the library. This policy is to supplement, not replace, any applicable state and federal laws.

Definitions

Board member is a person serving on the board of trustees.

Employee is employees who are responsible for carrying out the board's decisions and library's finances.

Protect the library means a board member or employee, family member or business associate cannot benefit from the transaction.

Family members include board members and employees' spouses, siblings, parents, grandparents, children, or domestic partners.

Business associate is any not for profit or profit entity which the board member or employee is an owner, member, employee of the board or has an interest.

Transaction is all contract or arrangements of which the library is party.

Conflict of interest would be if a board member or employee has financial interest in the transaction.

Procedures

A board member or employee who may have an interest in a transaction being considered by the board of trustees will not discuss the transaction with the board, except to explain their interest, and will not seek to influence the board's decision regarding the transaction.

The disclosure of an interest must be made at the earliest opportunity. After disclosing the interest and all pertinent information the person shall leave the meeting so the board of trustees can determine if a conflict of interest exists.

If the board of trustees determines a conflict of interest exists that person cannot be present during transaction discussion or decision making.

Prior to approving the transaction, the board of trustees will investigate available alternatives to the transaction. If after the investigations, the library cannot find a more advantageous transaction, the board may approve the transaction by a vote of the majority.

Minutes of meetings of the board in which a board member or employee has an interest in the transaction shall include the board member or employees name who disclose the interest, the nature of the interest, the board's decision or whether a conflict of interest exists, and the reasoning determining the decision.

Minutes shall also include names of those present during the discussion of the transaction, content of discussion, alternatives considered, names of those present voting on transaction, and each vote shall be recorded.

Failure to disclose an interest in any proposed transaction is cause for removal from the board and cause for employee discipline up to and including termination.

Initial and Annual Statements

All board members, before assuming office, and all employees, before beginning work, shall sign a statement that they have received a copy of this policy, have read and understand it, have agreed to comply with it, and understand that the library maintains its federal tax-exempt status only if its primary activities accomplish one or more of its tax-exempt purposes.

Each board member and employee, before assuming office and before beginning work, and annually will file with the library's secretary a written statement disclosing to the best of their knowledge any board member or employees which might have a conflict of interest in any transaction.

Periodic Review

To ensure the library operates consistently with its charitable purpose and does not engage in activities that could jeopardize their tax-exempt status, periodic reviews will take place. These reviews will include whether transactions are conducted in accordance to this policy, proper records were kept, payments and their records are properly kept, and that no benefits were gained from transactions.

The library's board or outside advisors may conduct these reviews.

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