

# THE BOYERTOWN COMMUNITY LIBRARY

## CONFLICT OF INTEREST POLICY

### ARTICLE I PURPOSE

The purpose of this conflict of interest policy (this “Policy”) is to protect the interests of Boyertown Community Library (the “Library”), a Pennsylvania non-profit corporation, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or non-director committee member of the Library or that might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to tax-exempt, nonprofit and charitable organizations.

### ARTICLE II DEFINITIONS

1. Committee. A committee created by the Board of Directors of the Library (“Board”) to which the Board has delegated powers.

2. Interested Person. Any officer, director, or member of a Committee who has a direct or indirect Financial Interest, as defined below.

3. Financial Interest. A 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 the Library has a transaction or arrangement;

b. a compensation arrangement with the Library (including but not limited to an employment or other contractual relationship);

c. a compensation arrangement with any entity or individual with which the Library has a transaction or arrangement (including but not limited to an employment or other contractual relationship); or

d. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Library is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial (i.e. in excess of \$150 in the aggregate per fiscal year).

A Financial Interest is not necessarily a conflict of interest, but disclosure of such is required pursuant to this Policy. Under Article III, Section 2, an Interested Person may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **ARTICLE III PROCEDURES**

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Person must disclose to the full Board the existence of the financial interest and be given the opportunity to disclose all material facts to the Board relating to the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts to the full Board, and after any discussion with the Interested Person, the Interested Person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists by majority vote of the Board members.

3. Procedures for Addressing the Conflict of Interest.

a. An Interested Person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement and make a recommendation to the full Board.

c. After exercising due diligence, the Board shall determine whether the Library 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 Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Library's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement. Notwithstanding anything in this Policy, under no circumstances may an Interested Person be permitted to participate in any decision-making related to, or any other aspect of, the transaction or arrangement underlying the Financial Interest.

4. Violations of the Conflicts of Interest Policy.

a. If the Board or any individual director of the Board has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain to the full Board the alleged failure to disclose.

b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall recommend appropriate corrective action to be voted upon by the Board and determined by majority vote of the full Board.

**ARTICLE IV  
RECORDS OF PROCEEDINGS**

With respect to any matters involving possible conflicts of interest or violations of this Policy, the minutes of the Board 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, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed; and

b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**ARTICLE V  
COMPENSATION**

a. A voting member, director, or officer of the Board or of a Committee who receives compensation, directly or indirectly, from the Library for services (including but not limited to through an employment or contractual relationship between the voting member, director, or officer of the Board and an entity with which the Library does business) shall be precluded from voting on matters pertaining to that individual's compensation or related to the entity with which the voting member, director, or officer of the Board has a relationship.

**ARTICLE VI  
ANNUAL STATEMENTS**

Each director, officer, and non-director member of a Committee shall annually sign a statement which affirms such person:

- a. has received a copy of this Policy,
- b. has read and understands this Policy,
- c. has agreed to comply with this Policy, and
- d. understands the Library is charitable and that, to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**ARTICLE VII  
PERIODIC REVIEWS**

To ensure the Library operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board shall conduct periodic reviews that shall, at a minimum, include the following subjects:

a. whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and

b. whether partnerships, joint ventures, and arrangements with management organizations conform to the Library's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**ARTICLE VIII  
USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Library may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

*Adopted by the Board of Directors of the Boyertown Community Library on 09/11/2019*

**THE BOYERTOWN COMMUNITY LIBRARY  
ANNUAL STATEMENT OF CONFLICT OF INTEREST  
AFFIRMATION AND DISCLOSURE FORM**

**INSTRUCTIONS**

**Purpose of this Disclosure Form**

The Conflict of Interest Policy (the “Policy”) adopted by the Board of Directors (“Board”) of the Boyertown Community Library (“Library”) requires disclosure of certain interests as described in the Policy. It is not uncommon to have these interests, but it is very important to make them known to the Library.

Use this questionnaire to disclose where you or a Family Member has certain affiliations, interests or relationships, and/or have taken part in transactions that, in light of your relationship to the Library, might possibly give rise to an actual, apparent or potential conflict of interest.

**How to Use this Disclosure Form**

1. Please read the Policy.
2. Answer all questions. Check “No” where applicable (do not leave any question blank if the correct response is “No”).
3. Any response should take into consideration your relationship with and your role within the Library.
4. Where this form refers to “you,” it is also referring separately to each Family Member. “Family Member” includes your brother(s), sister(s), parent(s), grandparent(s), child(ren), grandchild(ren) or great grandchild(ren) (by whole or half blood or adoption) and your spouse or significant other.
5. Your response should indicate whether you are disclosing an interest of yours or of a Family Member (and, in the case of a Family Member, the nature of your relationship with that Family Member).
6. Include all material facts as requested by this form.
7. Disclose all possible interests that currently exist, even if you previously reported them. Interests that are new either since the filing of your last Disclosure Form, or since the beginning of your relationship with the Library should also be reported on this Disclosure Form.
8. Complete the Form and date and sign the affirmation at the end of the Form. Please use additional paper if necessary.

A potential conflict of interest can arise from many circumstances, not just those described in this Form.

**You must report to the Board any relationship that creates an interest that occurs between now and the completion of the next annual Disclosure Form.**

Any potential conflict of interest that arises after this Form has been completed should be immediately reported to the Chairperson of the Board or to another member of the Board’s Executive Committee.

**THE BOYERTOWN COMMUNITY LIBRARY  
ANNUAL STATEMENT OF CONFLICT OF INTEREST  
AFFIRMATION AND DISCLOSURE FORM**

(To be completed by directors and officers of the Board of Directors and non-Director members of committees created and delegated powers by the Board)

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

Position: \_\_\_\_\_

1. Do you (or a Family Member) directly do business of any nature with the Boyertown Community Library (Library) or have, directly or indirectly, an employment, consultant or volunteer position, or a material interest in the Library or any entity that does or may do business with the Library?

- No  
 Yes

**If yes, please list the entities and describe the nature of the relationship.**

2. Do you (or a Family Member) have, directly or indirectly, an employment, consultant or volunteer position with, or a Financial Interest in any entity which provides advice to a competitor and/or competes, plans to compete, or could reasonably be expected to compete with the Library (and/or any affiliate of the Library) in the purchase, sale or delivery of any property or property right, interest, goods or services?

- No  
 Yes

**If yes, please list the entities and describe the nature of the relationship.**

3. During the past 12 months, have you (or a Family Member) solicited or accepted any payment from any person or entity that does or is seeking to do business with the Library?

- No  
 Yes

**If yes, please describe.**

4. During the past 12 months have you (or a Family Member) solicited or accepted any gift, meal, entertainment, service or other benefit from any person or entity that does or is seeking to do business with the Library that is in excess of \$150 in the aggregate?
- No  
 Yes

**If yes, please describe.**

5. Have you (or a Family Member) used the confidential and/or strategic information, name, image, service/trademarks of the Library, affiliates or their resources or property, in connection with any commercial or other interest or activity not associated with the Library?
- No  
 Yes

**If yes, please describe the use.**

Please initial next to each statement below to signal your agreement with each of the following:

- \_\_\_ I have received a copy of The Boyertown Community Library's Conflict of Interest Policy,  
\_\_\_ I have read and understand the Policy,  
\_\_\_ I agree to comply with the Policy, and  
\_\_\_ I understand the Library is charitable and that, to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

My signature below also acknowledges my understanding that I have a duty to supplement the information I have provided if such information changes prior to the next annual request for information or if I become aware of a situation in which the possibility of a conflict of interest may exist.

Print Name: \_\_\_\_\_

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

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

**Please return this document to:**

**Kelly Kindig  
24 N. Reading Ave.  
Boyertown, PA 19512**