

CONFLICT OF INTEREST

1. Obligation of Trustees and Employees

Trustees and employees of the Library have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Library wishes to operate. The purpose of these guidelines is to provide general direction so that employees and Trustees can seek further clarification on issues related to the subject of acceptable standards of operation.

2. Duty to Disclose

If an employee or Trustee has any influence on transactions involving purchases, contracts, or leases from which he/she may gain financially in a material amount, he/she has a duty to disclose to the President or other officer on the Board, the existence of any actual or potential conflict of interest in writing.

3. What Constitutes Conflict of Interest

An actual or potential conflict of interest occurs when an employee or Trustee is in position to influence a decision that may result in a personal gain for the employee or Trustee or for a family member as a result of the Library's business dealings. For the purposes of this policy, a Trustee or employee has an interest in a proposed transaction if he/she has a financial interest in it in a material amount, or has a financial interest in any organization involved in the proposed transaction, or holds a position as Trustee, Director, or principal officer in any such organization or receives any indirect remuneration or gifts or favors.

4. Determining Whether a Conflict of Interest Exists

- a. A prospective Trustee or employee shall complete an application which requests information regarding past or present business dealings with the Library. If the applicant responds in the affirmative, the Board shall be notified by the President or Director prior to appointment.
- b. After disclosure by a current Trustee or employee of an interest in a proposed transaction, the interested person shall leave the board or committee meeting while the nature and amount of the financial interest is discussed. The remaining disinterested Board or committee members shall determine by a majority vote if a conflict of interest exists.

5. Procedures for Addressing the Conflict of Interest

- a. If it is decided that a conflict of interest exists, the Board shall determine by a majority vote of the disinterested Trustees whether the transaction is in the Library's best interest and is fair and reasonable to the Library. The Board shall also make its decision as to whether to enter into the transaction or arrangement in any event.
- b. If the Board determines that the transaction is not in the Library's best interest, members of the Board may explore an alternative arrangement which would not give rise to a conflict of interest.

6. Violation of the Conflicts of Interest Policy

If the Board has reasonable cause to believe that a Trustee, officer or employee has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for its belief and allow the person an opportunity to explain the alleged failure to disclose.

7. Annual Statements

Each Trustee and employee shall annually sign a statement which affirms that such person has received a copy of the conflict of interest policy; has read the policy and has agreed to comply with the policy.

Affirmation of Compliance

I have received and carefully read the Conflict of Interest Policy for the Smithtown Special Library District Board members and staff. By signing this Affirmation of Compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy.

Please check one:

- I hereby state that I do not have any conflict of interest in business dealings with the library, nor does any relative of mine have a potential conflict of interest that has not been previously disclosed.
- I believe that I may have a potential conflict of interest. Please explain.

The final determination as to whether a conflict of interest exists will be determined by the Library's Board of Trustees.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose (in writing) the circumstances to the President of the Board of Trustees or to the Library Director, as applicable.

Name (Please Print)

Signature

Date