

Stillwater Public Library Conflict of Interest Policy

Table of Contents

1. Part I: Policy

1.1 Purpose

1.2 Article I – Purpose

1.3 Article II – Definitions

1.4 Article III – Procedures

1.5 Article IV – Records of Proceedings

1.6 Article V – Compensation

1.7 Article VI – Annual Statements

1.8 Article VII – Periodic Reviews

1.9 Article VIII – Use of Outside Experts

1.10 Article IX – Related Party Transactions

2. Part II: Forms

2.1 Annual Conflict of Interest Statement (Appendix A)

Part I: Policy

1. Purpose

No Board member or Key Person of the Library shall derive personal profit or gain, directly or indirectly, by reason of participation in Library activities except as disclosed and permissible under Library policies.

2. Article I – Purpose

This Policy protects the Library’s interests when entering into transactions or arrangements that may benefit the private interest of trustees, officers, or Key Persons. It supplements state and federal laws governing nonprofit conflicts of interest.

3. Article II – Definitions

- “Interested Person” – A trustee, officer, or Key Person with a Financial Interest.
- “Financial Interest” – Includes ownership or investment interests, compensation arrangements, or potential interests in entities dealing with the Library.
- “Key Person” – Someone with substantial influence or control over significant Library activities.
- “Officer” – Elected Board officers, the Director, and the Treasurer.
- “Related Party” – Trustees, officers, Key Persons, their relatives, or entities they significantly own.
- “Related Party Transaction” – A transaction involving a Related Party and the Library.
- “Relative” – Spouses, domestic partners, ancestors, siblings, children, grandchildren, and in-laws.
- “Affiliate” – Any entity controlled by or in control of the Library.

A Financial Interest does not necessarily constitute a conflict of interest; the Board determines whether a conflict exists.

4. Article III – Procedures

- Duty to Disclose – Interested Persons must disclose Financial Interests related to transactions.
- Determining Conflicts – The Interested Person leaves during deliberation; Board votes on conflict existence.
- Addressing Conflicts – Presentation allowed but no participation in deliberations or voting.
- Violations – Failure to disclose may result in disciplinary action.

5. Article IV – Records of Proceedings

Minutes must document disclosures, determinations, actions taken, individuals present, discussions, alternatives considered, and voting outcomes.

6. Article V – Compensation

- No Board member may receive direct compensation from the Library.
- Voting members receiving compensation cannot vote on matters involving their compensation.
- Members may still provide factual information when needed.

7. Article VI – Annual Statements

All trustees, officers, and Key Persons must annually sign a statement affirming receipt, understanding, and compliance with the Policy and listing any potential conflicts. Trustees must complete this before taking office.

8. Article VII – Periodic Reviews

- Whether compensation arrangements are reasonable.
- Whether partnerships or joint ventures align with Library policy and charitable purposes.

9. Article VIII – Use of Outside Experts

The Library may consult outside advisors during periodic reviews, but responsibility remains with the Board.

10. Article IX – Related Party Transactions

The Library may only enter into Related Party Transactions if they are determined to be fair, reasonable, and in the Library's best interest.

- Disclosure must be made in good faith to the Board.
- Board must consider alternatives when substantial interests exist.
- Board must document the basis for approval.
- Unapproved transactions may be ratified under defined conditions.

Part II: Forms

Annual Conflict of Interest Statement (Appendix A)

Name:

Position (Trustee / Officer / Key Employee):

Entities in which I hold a role and which may relate to Library business:

Potential transactions involving conflicts:

Signature:

Print Name:

Date:
