

Elting Memorial Library Conflict of Interest Policy

Article I – Purpose

1. The purpose of this conflict of interest policy is to protect Elting Memorial Library’s (“Elting”) interests when it is considering entering into a transaction or arrangement that might benefit the private interests of a covered person.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II -- Definitions

1. **“Covered Person”**: any member of Elting’s Board of Trustees and any Elting employee.
2. **“Interested Person”**: any member of Elting’s Board of Trustees or any Elting employee who has a direct or indirect **financial interest**, as defined below.
3. **“Financial Interest”**: a covered 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 Elting has a transaction or arrangement;
 - b. A compensation arrangement with Elting or with any entity with which Elting has a transaction or arrangement;
 - c. A potential ownership interest in, or compensation arrangement with, any entity with which Elting has a transaction or arrangement.

Article III – Procedures

1. **Duty to Disclose**: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given an opportunity to disclose all material facts to Elting’s Board of Trustees.
2. **Self-Recusal**: Any covered person may recuse at any time from involvement in any decision or discussion in which the covered person believes he or she may have a conflict of interest, without going through the process of determining whether a conflict of interest exists.
3. **Determining Whether Conflict Exists**: After disclosure of the financial interest and all material facts, and after discussion with Elting’s Board of Trustees, the covered person shall leave the meeting while the Board discusses whether a conflict of interest exists and then votes upon the question.
4. **Procedures for Addressing Conflicts of Interest**
 - a. An interested person shall leave the Board meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. Elting’s Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, Elting’s Board of Trustees shall determine whether Elting can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to any conflict of interest.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, Elting's Board of Trustees shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in Elting's best interest, for its own benefit, and whether it is fair and reasonable.

5. Violations of the Conflict of Interest Policy

- a. If Elting's Board of Trustees has reasonable cause to believe that a covered person has failed to disclose actual or possible conflicts of interest, it shall inform the covered person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, Elting's Board of Trustees determines that the member has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV – Records of Proceedings

The minutes of the Board of Trustees and all committees with Board delegated powers shall contain a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with a possible transaction or arrangement; b) the nature of the financial interest; c) any action to determine whether a conflict of interest was present; d) the Board's decision as to whether a conflict of interest existed; e) the names of the persons present for the discussion and vote on the transaction or arrangement; f) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and g) a record of any votes taken in connection with the proceedings.

Article V – Compensation

A covered or interested person who receives compensation, directly or indirectly, from Elting is precluded from voting on matters pertaining to the compensation.

Article VI – Annual Statements

Each covered person shall annually sign a statement which affirms that he or she has received a copy of this policy, has read and understands this policy, and list any actual or potential conflicts of interest. If at any time during the year the information in the annual statement changes materially, the covered person shall disclose such changes and revise the annual disclosure form.

Adopted October 2014