

UHLS: Conflict of Interest Policy

The Board of Trustees of the Upper Hudson Library System, a corporation created by a charter granted under Section 255 of the New York State Education Law by the Regents of the University of the State of New York, on June 16th, 1989, approved the following ***Conflict of Interest Policy for Trustees, Committee members and Employees*** at their meeting on October 8, 2014.

I. PURPOSE

The purpose of this Conflict of Interest policy is to protect the Upper Hudson Library System's (UHLS) interests when it is considering any transaction or arrangement that might benefit the private interests of any UHLS Trustee, Committee Member, or employee.

This policy is intended to supplement any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

II. DEFINITIONS

Covered Person: any member of the UHLS Board of Trustees, UHLS Board Committees and any UHLS employee.

Interested person: any member of the UHLS Board of Trustees, UHLS Board Committees or any UHLS employee having a direct or indirect financial interest, as defined below.

Financial interest: a covered person has a financial interest if the person has, through business, investment, or family:

- a. An ownership or investment interest in any entity with which UHLS has a transaction or arrangement;
- b. A compensation arrangement with UHLS or with any entity or individual with which UHLS has a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors.
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UHLS is negotiating a transaction or arrangement.

III. PROCEDURES

Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose that interest and present all material facts to the UHLS Board of Trustees.

Recusal: Any covered person may recuse at any time from involvement in any decision or discussion in which he/she believes that there may be a conflict of interest, without going through the process for determining whether a conflict of interest actually exists.

Procedures for Addressing the Conflict of Interest:

- a. After disclosure of all material facts, and after any discussion with the UHLS Board of Trustees, the covered person shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon.
- b. The UHLS 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, the UHLS Board of Trustees shall determine whether UHLS can obtain with reasonable efforts an equal or more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- d. If an equal or more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the UHLS Board of Trustees shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the best interests of UHLS and whether it is fair and reasonable. Pursuant to that determination, the covered person shall be free to enter into the proposed arrangement or transaction.

Violations of the Conflicts of Interest Policy

- a. If the UHLS Board of Trustees has reasonable cause to believe 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 member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the covered person's response and after making further investigation as warranted by the circumstances, the UHLS Board of Trustees determines the covered person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, up to and including removal and/or termination.

IV. RECORDS OF PROCEEDINGS

The Minutes of the Board and all Board committees must 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;
- b. the nature of the financial interest;
- c. any action taken to determine whether a conflict of interest was present;
- d. the Board's decision as to whether a conflict of interest in fact existed;
- e. the names of the persons who were present for discussions and votes relating to the transaction or arrangement;
- f. the content of the discussion, including any alternatives to the proposed transaction or arrangement.

V. COMPENSATION

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

VI. ANNUAL CONFLICT OF INTEREST POLICY CERTIFICATION

Each covered person shall annually sign a statement which certifies:

- a. that they have received a copy of this policy and have read and understand this policy;
- b. that during the previous year they were not an interested person.



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UHLS CONFLICT OF INTEREST POLICY CERTIFICATION

This is to certify that I have received a copy of the UHLS Conflict of Interest Policy for Trustees and Employees, and that I have read and understand the policy.

This is to further certify that I am not now nor at any time during the past year have I been a participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Upper Hudson Library System that has resulted or could result in personal benefit to me.

Signature: _____

Date: _____

Printed name: _____

UHLS Position/Title _____