

**BEDFORD HILLS FREE LIBRARY
CONFLICT OF INTEREST POLICY
Adopted by the Board of Trustees January 2015**

Article I: Purpose

This Conflict of Interest Policy is designated to foster public confidence in the integrity of the Bedford Hills Free Library (“BHFL”) and to protect BHFL’s interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of a director, a corporate officer or a key employee (defined as “Insider”).

Article II: Definitions

1. The following are considered “Insiders” for the purposes of this policy:
 - A. Each member of the Board of Directors.
 - B. The President and Executive Director, Treasurer and any person with the responsibilities of any of these positions (whether or not the person is an officer of BHFL) under BHFL’s By-laws and New York Not-for-Profit Corporation Law.
 - C. Any other key employee, meaning an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$10,000 and who (a) has responsibilities or influence over BHFL similar to that of officers, directors or trustees; or (b) manages a program that represents 10% or more of the activities, assets, income or expenses of BHFL; (c) has or shares an authority to control 10% or more of BHFL’s capital expenditures, operating budget or compensation for employees; or (d) has responsibility for the management of and/or investment decisions regarding BHFL’s securities portfolio.
2. Interest means any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct, or indirect, that may influence a person’s judgment, including receipt of compensation from BHFL or a sale, loan or exchange transaction with BHFL.
3. A conflict of interest is present when, in the judgment of the body or individual determining whether a conflict exists, an Insider or person related to an Insider by family or business relationship has a material financial interest in the transaction such that it reduces the likelihood that an Insider’s influence can be exercised impartially in the best interest of BHFL.
4. Transaction means any transaction, agreement, or arrangement between an Insider and BHFL, or between BHFL and any third party where an Insider has a material financial interest in the transaction or with any party to it.

Article III: Procedures

1. Duty to Disclose. Each Insider shall disclose to the Board all material facts when a transaction or action of BHFL conflicts with the personal interests, financial or otherwise, of him/herself or an immediate family member, employer, or other relevant affiliation. The Insider shall make that disclosure promptly upon learning of the proposed transaction.
2. Determining Whether a Conflict of Interest Exists. Regarding a transaction involving an Insider, the Board shall determine if a conflict of interest exists.
3. Procedures for Addressing a Conflict of Interest; Recusal. The Board shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect BHFL's interests in light of the nature and seriousness of any conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an Insider who is a director, he or she shall not vote on any transaction in which he or she has an interest, and the remaining Board members shall decide the matter.

Article IV: Review by the Board

The Board may ask questions of and receive presentation(s) from the Insider and any other interested person. The Board shall ascertain that all material facts regarding the transaction, and the Insider's conflict of interest, have been disclosed to the Board and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to BHFL. After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in BHFL's best interest, for its own benefit and whether it is just and reasonable to BHFL. The Insider shall not attempt to improperly influence the deliberations or voting on the matter. The Insider shall leave the meeting during the discussion of, and the vote on, the transaction involving the possible conflict of interest. Any transaction with an Insider can be approved by the Board by majority vote of the disinterested directors present at a meeting for which quorum requirements have been met. An Insider director may be counted in determining the presence of a quorum at such meeting.

Article V: Record of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each Insider who disclosed or was otherwise determined to have an interest in a transaction, the nature of the interest and whether it was determined to constitute a conflict of interest, as well as any alternative transactions considered. The record shall also set forth the names of the members of the Board who were present during the debate on the transaction, those who voted on it, and to what extent the Insider was excluded from the deliberations. Any comparability data or other information obtained and relied upon by the Board shall be made a part of the record, as well as how the information was obtained. The record shall also state the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

Article VI: Annual Disclosure and Compliance Statements

Each director, each corporate officer, and the Executive Director shall annually sign a statement on the form attached, that:

1. Affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
2. Discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

Article VII: Violations

If the Board has reasonable cause to believe that an insider has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related Insider, it shall inform such insider of the basis for this belief and afford the Insider an opportunity to explain the alleged failure to disclose. If, after hearing the Insider's response and making further investigation as warranted by the circumstances, the Board determines that the Insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Article VIII: Annual Review

To ensure that BHFL operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

**BEDFORD HILLS FREE LIBRARY
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ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT**

Part I. Acknowledgment of Receipt

I hereby acknowledge that I have received a copy of the Conflict of Interest Policy of BHFL, have read and understood it, and agree to comply with its terms.

Signature

Date

Printed Name

Part II. Annual Disclosure of Financial Interest

BHFL is required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, each officer, director and key employee shall disclose the information requested in this Part II.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

Please check **ONE** of the following boxes:

- I am not aware of any financial interest involving me or a family member that could present a conflict with the interests of BHFL, or my interests and relationships
- I have not changed since my last disclosure of interests.
[Proceed to signature block below. Do not complete the tables.]
- I hereby disclose or update my interest and relationships that could give rise to a conflict of interest:
[Complete the table below. Use additional pages as needed.]

<p><u>Family Relationships</u> Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren</p>	<p><u>Names of those presenting a potential conflict of interest</u></p>
<p><u>Type of Interest</u></p>	<p><u>Description of interest that could lead to a conflict of interest</u></p>
<p>Transactions or arrangements with BHFL</p>	
<p>Transactions or affiliations with other nonprofit organizations</p>	
<p>Substantial business or investment holdings</p>	
<p>Transactions or affiliations with business not listed above</p>	

<p>_____</p> <p>Signature</p>	<p>_____</p> <p>Date</p>
<p>_____</p> <p>Printed Name</p>	