

# **PORT JERVIS FREE LIBRARY**

## **Conflict of Interest Policy**

Adopted by the Library Board of Trustees on \_\_\_\_\_, 2026.

### **I. PURPOSE**

Port Jervis Free Library (the “Library”) is dedicated to maintaining excellence in providing library services to the public, and expects that trustees of the Library (each, a “Trustee,” or collectively, the “Trustees”) act with integrity and in accordance with the highest ethical standards.

The Board of Trustees (the “Board”) is entrusted with upholding the values and shaping the future of the Library. The Board oversees the management of the Library’s assets including, without limitation, its collections, programs, facilities, financial assets and staff, to ensure they are effectively protected, maintained and developed in support of the Library’s mission, objectives and purposes as established by the Library’s Charter, By-Laws and Mission Statement.

Accordingly, Trustees owe a duty of loyalty, care and obedience to the Library, and must act in good faith toward the Library and in the Library’s best interests, rather than in their own interests or the interests of another entity or person, and must comply with applicable legal requirements. A Trustee may not use his or her position as a Trustee to obtain financial or other gain for the private benefit of the Trustee, the Trustee’s family or any organization with which the Trustee is associated.

The purpose of this Conflict of Interest Policy (this “Policy”) is to set forth procedures for monitoring, reporting, review and oversight of, and review, approval or ratification of any action taken by Trustees in connection with, conflicts of interest and related party transactions.

This policy is intended to supplement but not replace any applicable state and federal laws regarding conflicts of interest including, but not limited to, possibly the New York Not for Profit Corporation Law as revised by the Non profit Revitalization Act of 2013.

### **II. APPLICABILITY**

This Policy applies to any person who is or was a Trustee of the Library at any time during the past five (5) years. This Policy also applies to transactions or arrangements with a Related Party (defined below).

A “Related Party” and/or “Related Person” is a “relative” (defined below) of a Trustee or an entity in which a Trustee or relative of a Trustee has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

A “relative” is (i) a spouse or domestic partner (defined in Section 2994(a) of the New York Public Health Law) of a Trustee; (ii) an ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole- or half-blood or adopted) of a Trustee; or (iii) a spouse or

domestic partner of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole- or half-blood or adopted) of a Trustee.

A “related party transaction” is any transaction, agreement or any other arrangement in which a Trustee or Related Party has a financial interest and in which the Library is a participant.

### **III. CONFLICTS OF INTEREST**

A conflict of interest arises whenever the interests of the Library come, or appear to come, into conflict with a financial or personal interest of a Trustee or Related Party, or otherwise whenever a Trustee’s or a Related Party’s personal or financial interest could be reasonably viewed as affecting his or her objectivity or independence in fulfilling their duties to the Library.

While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a Trustee or Related Party has (directly or indirectly):

1. a direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement in which the Library participates;
2. a compensation arrangement or other interest in a transaction with the Library;
3. a compensation arrangement or other interest in or affiliation with any entity or individual that: (i) sells or supplies goods or services to, or purchases or utilizes goods or services from, the Library; (ii) competes with the Library; or (iii) the Library has, or is negotiating, or contemplating negotiating, any other transaction or arrangement with;
4. the ability to use his or her position, or confidential information or the assets of the Library, to his or her (or Related Party’s) personal advantage or for an improper or illegal purpose;
5. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Trustee (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction);
6. acquired any property or other rights in which the Library has, or Trustee or Related Party knows or has reason to believe at the time of acquisition that the Library is likely to have, an interest;
7. an opportunity related to the activities of the Library, unless the Board has made an informed decision that the Library will not pursue that opportunity;
8. been indebted to the Library, other than for approved reimbursements; or
9. any other circumstance that may, in fact or in appearance, make it difficult for the Trustee to exercise independent, objective judgment or otherwise perform effectively.

#### **IV. CONFLICT OF INTEREST DISCLOSURE AND QUESTIONNAIRE**

Trustees are required to disclose in good faith and in writing to the Board all material facts related to actual, potential or apparent conflicts of interest (including those that implicate a Related Party) including the nature of their or the Related Party's interest and information about any proposed transaction or other arrangement, before entering into such transaction or arrangement. Disclosures should be made in advance, in writing, before any action is taken on the matter. Conflict identification and analysis can be difficult and, therefore, Trustees are at all times expected to err on the side of caution and disclose all instances where a conflict of interest or the appearance of a conflict exists.

Each current Trustee, as well as nominees for election as Trustee, must submit to the Secretary of the Library or a designated compliance officer at least once per year (and updated, as below, as appropriate) a statement identifying, to the best of the Trustee's knowledge, possible conflicts of interest including, without limitation, any entity of which the Trustee or Related Party is an officer, member, director, owner or employee and with which the Library has a relationship, and any transaction in which the Library is a participant and in which the Trustee or Related Party has or might have a conflicting interest. Trustees remain under a continuing obligation to promptly report conflicts as they arise including those that were not reported on the annual statement but which later become relevant. The Secretary of the Library or the designated compliance officer shall provide copies of all completed statements to the President of the Board. The Secretary of the Library shall maintain a record of conflict of interest documents.

#### **V. REVIEW, APPROVAL AND RATIFICATION**

The Board will review all conflicts of interest and related party transactions and determine whether to approve or ratify any such matters, if no conflict exists, conclude that a conflict exists and the transaction should cease or not proceed, or conclude that, although a conflict exists, the arrangement can proceed in a manner as specified by the Board. The Board may only approve the underlying matter if it determines that such matter, under the terms and within the circumstances and conditions presented, is fair, reasonable, and in the best interests of the Library at the time of such determination. In making its determination, the Board will consider, without limitation:

1. Alternative or comparable transactions to the extent available;
2. The Library's mission and resources;
3. The possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the Library (even if there is no actual conflict or wrongdoing); and
4. Whether the conflict may result in any private inurement, excess benefit transaction or impermissible private benefit under laws applicable to the Library.

When considering the comparability of transactions, the Board may consider: (i) fees paid by similarly situated libraries; (ii) the availability of similar products or services within the same geographic area; (iii) survey or other data compiled by independent firms; or (iv) written offers from similar institutions competing for the same person's products or services.

When the transaction involves the transfer of real property as consideration, the relevant factors include, but are not limited to (a) current independent appraisals of the property; and (b) offers received in a competitive bidding process.

Unless provided otherwise in the Library's By-laws, a majority of the Board shall constitute a quorum for a meeting and the affirmative vote of a majority of Board members present at a meeting at which a quorum is present shall constitute the action of the Board with respect to any matter that is the subject of this Policy.

Persons with an interest in any matter under review by the Board are not permitted to be present at or participate in any deliberations or voting by the Board with respect to the matter giving rise to the potential conflict, and must not attempt to influence improperly the deliberation or voting on such matter. In appropriate circumstances, on reasonable advance written notice, any such person may be called upon by the Board to provide information relevant to the determination prior to the commencement of deliberations or voting related thereto. Notwithstanding the foregoing, a Trustee with an interest in a matter under review by Board shall be deemed to be present at the meeting for purposes of determining whether a quorum is present.

In the event the Library or a Trustee in error enters into or otherwise participates in a conflict of interest transaction that requires pre-approval by the Board pursuant to this Policy, such transaction shall promptly upon discovery of such error be presented to the Board for its review and the Board shall in accordance with the procedures prescribed by applicable law consider whether to (i) ratify such transaction; (ii) direct the rescission or modification of the transaction (if possible to do so); (iii) take any disciplinary action; and/or (iv) make changes to the Library's controls and procedures in connection with such error.

## **VI. RECORDS**

The minutes of the Board meeting during which a potential, actual or apparent conflict of interest is disclosed or discussed shall be documented contemporaneously with the meeting and reflect the name of the interested Trustee, the nature of the conflict, and details of the deliberations of the disinterested Trustees (including, without limitation, documents reviewed, any alternatives or comparable transactions considered, comparative costs or bids, market value information and other factors considered in deliberations, etc.), and the resolution of the conflict including any ongoing procedures to manage any conflict that was approved. The interested person shall only be informed of the final decision and not of a particular Trustee's position or how they voted, and shall be informed in writing, by (i) email and (ii) certified mail, return receipt requested, or overnight delivery, within seven (7) business days from the date the final decision is reached, at the last known email and residential addresses on file with the Board for such Trustee. The records or minutes shall reflect who was present for the discussion and who voted on such topic.

## **VII. COMPLIANCE**

If the Board has reasonable cause to believe that a Trustee has failed to comply with this Policy, it may make such further investigation as may be warranted in the circumstances and if it determines that a Trustee has failed to comply with this Policy, it shall take appropriate action which may include removal of the Trustee from the Board (or from office, if applicable). Investigations may include, without limitation, a review of documents, witnesses, and a hearing on notice to ensure due process and protect the Library from potential litigation.

## **VIII. POLICY ADOPTION AND OVERSIGHT**

The Board is responsible for providing oversight of the adoption and implementation of, and compliance with this Policy.

The Board may amend this Policy at any time in accordance with the Library's By-Laws.

CONFLICT OF INTEREST STATEMENT  
Port Jervis Free Library

Name: \_\_\_\_\_

1. Affiliations: List any entity of which you or a Related Party are an officer, director, trustee, member, owner, or employee with which the Library has a relationship.

\_\_\_\_\_

2. Transactions: Describe any transaction in which the Library is a participant and in which you or a Related Party might have a conflicting interest.

\_\_\_\_\_

3. Gifts: Have you or a Relative received any gift, service, or benefit (excluding those of nominal value) from an entity doing business with the Library?.

\_\_\_\_\_

Affirmation: I have received, read, and understand the Policy . I understand that I remain under a continuing obligation to report conflicts as they arise and must update this form if my answers change.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_