

Chautauqua-Cattaraugus Library System
Trustee and Employee Code of Ethics & Conflict of Interest Policy

The Chautauqua-Cattaraugus Library CCLS (CCLS) recognizes that sound, ethical standards of conduct serve to increase the effectiveness of the CCLS's Board of Trustees and staff. Actions based on an ethical code of conduct promote public confidence and the attainment of the CCLS's goals. The Board also recognizes its obligation to adopt a code of ethics setting forth the standards of conduct required of all CCLS trustees and employees.

The Board is also committed to avoiding any situation in which the existence of conflicting interests of any trustee or employee may affect the integrity of the management or operation of the CCLS. The Board affirms its commitment to adhere to applicable provisions of law regarding material conflicts of interest.

This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to not-for-profit and charitable organizations.

Definitions

Conflict of Interest. A Conflict of Interest exists if an outside interest or activity influences or appears to influence the ability of an individual to exercise objectivity or impair the individual's ability to perform his or her responsibility in the best interests of CCLS.

Interested Person. An Interested Person is any trustee, officer, employee or member of a committee with powers delegated by the Board, who (1) has a direct or indirect Financial Interest, as defined below, and/or (2) is a Related Party, as defined below.

Related party. A Related Party includes:

- a. any Trustee, potential Trustee, or employee of CCLS,
- b. any relative of any Trustee, potential Trustee, or employee of CCLS
- c. any entity in which any individual described in the preceding clauses (a) and (b) has a thirty-five percent 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 five percent.

Related party transaction. Any transaction, agreement or other arrangement in which a related party has a financial interest and in which CCLS or any affiliate of CCLS is a participant.

Employee. Any person who is employed by CCLS.

Relative. A Relative of an individual means such individual's spouse or domestic partner (as defined in Section 2994 of the Public Health Law), ancestors, brothers and sisters (whether of the whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and the spouses of his or her brothers, sisters, children, grandchildren and great-grandchildren.

Affiliate. Any entity controlled by, in control of, or under common control with CCLS.

Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or a Relative:

- a. An ownership or investment interest in any entity with which CCLS has a transaction or arrangement;
- b. A compensation arrangement with CCLS or with any entity or individual with which CCLS has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CCLS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Confidential Information

No trustee or employee shall disclose confidential information acquired by him or her in the course of his or her official duties or use such information to further his or her personal interest. In addition, he or she shall not disclose information regarding any matters discussed in an executive session of the Board of Trustees.

Restrictions to Avoid Conflicts

Prohibited Conflicts of Interest. No trustee or employee shall have an interest in any contract between the CCLS and a corporation or partnership of which he or she is a director or employee if that CCLS trustee or employee has the power to negotiate, prepare, authorize or approve the contract or authorize or approve payment there-under, audit bills or claims under contract, or appoint a trustee or employee who has any of the powers or duties set forth above. No chief fiscal officer, treasurer or his or her deputy or employee shall have an interest in a bank or trust company designated as a depository paying agent, registration or for investment of CCLS funds of which he or she is a director or employee. The provisions of this section will not be construed to preclude the payment of lawful compensation and necessary expenses of any trustee or employee in one or more positions of public employment, the holding of which is not prohibited by law.

Representation Before the Board. A trustee or employee shall not receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the CCLS Board of Trustees.

Investments in Conflict with Official Duties. No trustee or employee of the CCLS shall invest or hold any investment directly or indirectly in any financial, business, commercial or private transaction that creates a conflict with his or her official duties.

Private Employment. No trustee or employee of the CCLS shall engage in, solicit, negotiate for or promise to accept private employment or render services to private interests when such employment or service creates a conflict with or impairs the proper discharge of his or her official duties.

Nepotism Prohibited. No person employed by the CCLS shall hire, supervise, evaluate, promote, review or discipline any other employee who is a member of his or her family. In the event that marriage, promotion, or reorganization results in a situation not in compliance with this policy, reassignment or transfer will be affected if possible.

Use of CCLS Property. No trustee or employee shall use or permit the use of property, owned or leased to the CCLS, for anything other than official purposes or for activities not otherwise officially approved by the CCLS's Board of Trustees.

Gifts. No trustee or employee shall directly or indirectly solicit, accept or receive any money or gift having a value of \$75 or more, whether in the form of cash, check, loan, credit, services, travel, entertainment, hospitality, or promise, or any other form. Under no circumstances should a trustee or employee accept any money or gift for which it could reasonably be inferred that the money or gift was intended to influence him or her in the performance of his or her official duties or was intended as a reward for any specific official action on his or her part.

Duty to Disclose

Disclosure of Interest in Matters before the Board. Any trustee or employee, whether paid or unpaid who participates in the discussion or gives official opinion to the Board on any matter before the Board shall publicly disclose on the official record the nature and extent of any direct or indirect financial or other private interest he or she has in such matter. The term "interest" means a pecuniary or material benefit accruing to a trustee or employee.

Disclosure of Interests in Contracts. To the extent known, any trustee or employee of the CCLS who has, or will have, or subsequently acquires any interest in any contract with the CCLS shall publicly disclose the nature and extent of such interest in writing to the CCLS Director as soon as he or she has knowledge of such actual or prospective interest.

Duty to Disqualify. It is incumbent upon any trustee or employee, whether paid or unpaid, to disqualify or recuse him or herself immediately whenever the appearance of a conflict of interest exists.

Duty to Report Conflicts of Interest. In the event that any trustee or employee knows of or perceives a direct or indirect conflict of interest, he or she shall report it to the CCLS's Board of Trustees.

Duty to Report Violations of this Policy. Any trustee or employee or any member of the public noting or suspecting a violation of this policy is encouraged to report the matter, either in confidence or in public, to the CCLS Board of Trustees.

Failure to disclose to the Board a known actual or possible conflict of interest may be grounds for removal from the Board or termination of employment (or other relationship with the CCLS) by the CCLS.

Procedures

General Prohibitions. An individual with an interest in a transaction giving rise to an actual or possible conflict of interest may not be present at or participate in deliberations or voting on such a transaction. The Board may, however, request that such an interested individual provide information as background, or answer questions, at a Board meeting at which the transaction is reviewed, and an individual who does so but leaves the meeting prior to deliberations and voting on such transaction will not be considered "present at the meeting" for the purpose of such deliberations and voting.

Determining Whether a Conflict of Interest or Related Party Exists. After the Interested Person's disclosure of the existence of and all material facts relating to her/his Financial Interest and after any discussion among the members of the Board and the Interested Person, she/he shall leave the Board of Trustee meeting while the determination of a conflict of interest is discussed and voted upon by the Board.

Voting on Fair and Reasonable Transaction. The Board shall determine by not less than a majority vote of the Non-Conflicted Trustees present at the meeting whether a transaction is fair, reasonable and in the CCLS's best interest at the time of such determination. If the Board determines that a transaction is not fair, reasonable and in the CCLS's best interest at the time of such determination, (a) the CCLS shall neither enter into nor cause an Affiliate to enter into such transaction and/or (b) the Board shall prohibit the Trustee, Officer or Key Person involved in such transaction from entering into such transaction.

Records of Proceedings. Every decision by the Board regarding a Related Party Transaction or any other transaction or arrangement giving rise to an actual or possible conflict of interest (shall be documented adequately and contemporaneously. Accordingly, the minutes of all meetings of the Board at which such a transaction is considered shall contain:

- a. the names of the parties to the transaction and the terms of the transaction;
- b. the name of any individual who disclosed, or was otherwise determined to have, a possible or actual conflict of interest in respect of the transaction; the nature of such possible or actual conflict of interest; any action taken to determine whether a conflict of interest exists; the Board's determination as to whether a conflict of interest exists; and any actions taken by such an individual with respect to the Board's consideration of the transaction;
- c. any comparability data obtained and relied upon by the Board;
- d. whether the Board determined that the transaction was fair, reasonable and in CCLS's best interest at the time of such determination, and the basis for such determination, with a description of the alternative transactions the Board considered in the course of making such determination, or an explanation of the Board's determination that no alternative transactions were available;
- e. the names of the individuals who were present during debate on the transaction and those who voted on it, as well as the names of individuals who left the room during such debate and voting; and
- f. the date the transaction was approved.

Oversight & Reviews

Oversight Responsibility. - the Board shall oversee the adoption of, implementation of, and compliance with this Conflict-of-Interest Policy in accordance with the procedures contained herein.

Improper Influence. An individual with an interest in a transaction or other arrangement giving rise to an actual or possible conflict of interest shall not attempt to influence improperly the deliberations or voting on the matter. Any attempt to do so by such an individual may be grounds for removal from the Board or termination of employment (or other relationship with the CCLS) by the CCLS.

Violations of the Conflicts of Interest Policy. If the Board has reasonable cause to believe a trustee, officer or staff person has failed to disclose actual or possible Conflicts of Interest or Related Party Transaction:

- a. The Board shall inform such person of the basis for such belief and afford such person an

- opportunity to explain the alleged failure to disclose.
- b. If, after hearing the trustee, officer or staff person's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall take appropriate disciplinary and corrective action, up to and including dismissal or termination, and referral to the New York State Board of Regents for possible removal of a trustee, pursuant to New York State Education Law.

Periodic Reviews. -to ensure CCLS operates in a manner consistent with its nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board shall conduct periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information.
- b. Whether partnerships, joint ventures, and arrangements with organizations conform to CCLS written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further nonprofit purposes and do not result in impermissible or excess benefit transaction.

Distributions and Annual Written Disclosures

The Executive Director shall provide a copy of the Conflict-of-Interest policy to be distributed to every Trustee and employee. Each Trustee and employee elected or appointed thereafter shall be furnished a copy before entering upon the duties of his or her office or employment. A copy of each disclosure statement shall be kept in the Corporation's files and made available to any Trustee, Officer or Key Person upon request.

Each CCLS Trustee and employee shall annually sign and submit to the Executive Director a written statement which:

1. Affirms (a) such person has received a copy of the Policy, (b) has read and understands the Policy, (c) agrees to comply with the policy, and (d) understands CCLS is a non-profit and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. Identifies to the best of such person's knowledge (a) any entity of which such person is a director, officer, trustee, shareholder, member, owner (whether sole proprietor or partner) or employee and with which CCLS or any affiliate of CCLS has a relationship, and (b) any transaction in which CCLS is a participant and in which such person has a conflicting interest.

*Adopted by the Chautauqua-Cattaraugus Library System
Board of Trustees on April 10, 2024*

Annual Statement Conflict of Interest

Chautauqua-Cattaraugus Library System (CCLS)

Print Name: (Please Print) _____

I am a (check all that apply)

- Trustee (or potential trustee)
- Employee
- Other (Please describe)

I attest that:

- I have received a copy of the CCLS Conflict of Interest Policy
- I have read and understand the CCLS Conflict of Interest Policy
- I agree to comply with the CCLS Conflict of Interest Policy
- I understand that CCLS is a non-profit and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Please list below any businesses or organizations you or your relatives are affiliated with that may have transactions with CCLS. [director, officer, trustee, shareholder, member, owner (whether sole proprietor or partner) or employee] *Use the back of the document to continue, if necessary.*

I have executed this document to the best of my knowledge:

Signature

Date