

POTSDAM PUBLIC LIBRARY

ANNUAL BOARD OF TRUSTEES CONFLICT OF INTEREST

POLICY AFFIRMATION AND DISCLOSURE

Pursuant to the Conflict of Interests Policy ("Conflicts Policy") of The Potsdam Public Library, the members of the Board of Trustees are annually required to affirm certain facts with relation to the Board's conflict of interest policy ("conflicts policy") and to disclose any duality of interest or possible conflict of interest to the other Trustees.

Therefore, the undersigned Trustee affirms that:

1. He/She has received a copy of the Conflicts Policy;
2. He/She has read and understands the policy;
3. He/She agrees to comply with the policy; and that
4. He/She understands that the Potsdam Public Library is an educational organization and that in order to maintain its federal tax-exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In addition, the undersigned Trustee hereby certifies that he/she is aware of no duality of interest with the business of the Potsdam Public Library except for the following:.

Potsdam Board of Trustees President is also on the Board of Trustees of the Friends of the Library. She has no private financial interests or investments in either corporation.

The above affirmation and disclosure shall be filed with the Clerk of the Board of Trustees and retained with its corporate records.

(Signature)

(Print Name)

Member, Board of Trustees

(Date)

POTSDAM PUBLIC LIBRARY

CONFLICT OF INTERESTS POLICY

Supplement

Adopted September 10, 2008

1. Purpose. The purpose of this conflicts of interest policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee or members of Committees. This policy is intended to supplement but not replace any applicable state laws or regulations governing conflicts of interest.

2. Definitions.

(a) Interested Person. Any Trustee, or Member of a Committee with Board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

(i) An ownership or investment in any entity with which the Potsdam Public Library has a transaction or arrangement;

(ii) A compensation arrangement with the Potsdam Public Library or with any entity or individual with which Potsdam Public Library has a transaction or arrangement; or

(iii) A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the Potsdam Public Library is negotiating a transaction or arrangement.

3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the trustees and members of Committees with Board-delegated powers, considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the Board or Committee meeting while the financial interest is discussed and voted upon. The remaining Board or Committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) The chair of the Board or Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.

(ii) After exercising due diligence, the Board or committee shall determine whether the Potsdam Public Library can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iii) If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Potsdam Public Library's best interest and for its own benefit and whether the transaction is fair and reasonable to the Potsdam Public Library and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

(i) If the Board or Committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

4. Records of Proceedings.

5. The minutes of the Board 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 an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Board's or Committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

6. Annual Statements.

(a) Each Trustee, principal officer and member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person:

- (i) Has received a copy of the conflicts of interest policy;
- (ii) Has read and understands the policy;
- (iii) Has agreed to comply with the policy; and
- (iv) Understands that the Potsdam Public Library is an educational organization and that in order to maintain its federal tax-exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

(b) In addition, any duality of interest or possible conflict of interest on the part of any Trustee shall be disclosed to the other members of the Board and made a matter of record through an annual procedure.

7. Periodic Reviews.

(a) To ensure that the Potsdam Public Library operates in a manner consistent with its educational purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(i) Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

(ii) Whether partnership, joint venture arrangements and other agreements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Potsdam Public Library's educational purposes and do not result in inurement or impermissible private benefit.

(b) In conducting the periodic reviews the Potsdam Public Library, may, but not need, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Adopted: September 10, 2008 by the Potsdam Library Board of Trustees