



Palmyra Community Library Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect the Palmyra Community Library (“the Library”) interest when it is contemplating entering into a transaction, agreement or other arrangement that might benefit the private interest of an officer, trustee or Key Employee (as such term is defined herein) of the Library or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. The policy has been created in compliance with the Not-for-Profit Corporation (NPC) CHAPTER 35, ARTICLE 7, SECTION 715-A, Conflict of interest policy.

Definitions

1. Interested Person means any trustee, officer or Key Employee who has a Financial Interest (as such term is defined below).
2. Financial Interest means, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Library has a transaction or arrangement;
 - b. A compensation arrangement with any entity or individual with which the Library has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the System is negotiating a transaction or arrangement.
3. Key Employee means any person who is in a position to exercise substantial influence over the affairs of the System. The term Key Employee expressly includes the Director, Board President and Treasure.
4. Related Party means any:
 - a. Trustee, officer or Key Employee of the Palmyra Community Library or any Affiliate of the Library,
 - b. Relative of any trustee, officer or Key Employee of the Library or any Affiliate of the Library or
 - c. Entity in which any individual described in (a) or (b) above has a thirty-five percent (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 five percent (5%).
5. Related Party Transaction means any transaction, agreement or any other arrangement in which a Related Party (as such term is defined herein) has a financial interest and in which the Palmyra Community Library or any Affiliate of the Library is a participant.
6. Relative of an individual means his or her spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren and spouses of brothers, sisters, children, grandchildren and great grandchildren and domestic partner.



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7. Affiliate of the Library means any entity controlled by, in control of, or under common control with the Library.

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

A Financial Interest is not necessarily a conflict of interest. Under the “Procedures” section of this policy, a person who has a Financial Interest may have a conflict of interest only if the Library’s board of trustees (the “Board”) or an authorized committee thereof decides that a conflict of interest exists.

Compensation

1. No member of the Board may receive direct compensation from the Library. A voting member of the Board who receives compensation from the Library for services, indirectly, is precluded from voting on matters pertaining to that member’s compensation. For purposes of this section, reimbursement of reasonable expenses incurred in performance of duties as a trustee is not compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Library for services is precluded from voting on matters pertaining to that member’s compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the System, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

1. Annual Statements: Each trustee, officer, and key employee shall annually sign a statement
2. Statement Required Prior to Initial Election of any Trustee

Periodic Reviews

To ensure the System operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status or are otherwise unlawful, periodic reviews shall be conducted.

Use of Outside Experts

When conducting the periodic reviews as provided for in the “Periodic Reviews” section, the Library may, but need not, use outside advisors.

Adopted: December 17, 2009

Reviewed: July 18, 2019

Amended: January 19, 2023

Amended: December 18, 2024



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Annual Confirmation Statements by Trustees, Officers, and Key Employees

The undersigned, a trustee, officer and/or key employee of the Palmyra Community Library, affirms that:

1. I have received a copy of the Library's Conflict of Interest Policy (the Policy);
2. I have read and understand the Policy;
3. I agree to comply with the Policy;
4. To the best of my knowledge, below is a list of every entity in which I am an officer, trustee, member, owner or employee and with which the Library has, or may have, a relationship:

NONE

5. To the best of my knowledge, below is list of any transaction in which the Library is a participant and in which I might have a conflicting interest:

NONE

6. I understand the Library is charitable 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.

Signature: _____

Name: _____

Title: _____

Date: _____