

Conflict of Interest Policy

Adopted January 2025

To support and advance its mission, Henrietta Public Library shall use this “Conflict of Interest” policy and procedure to conduct its operations without appearance of or actual conflicts of interest.

In particular, the purpose of this Conflict of Interest Policy is to protect Henrietta Public Library when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of the Organization, might result in a possible “excess benefit transaction,” or might appear the decision-making or delegated decision-making is being done with self-interest, as opposed to institutional interest.

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

Examples

Examples of a “conflict of interest” include:

- Promoting or approving a contract that will confer a benefit to oneself or a family member, without disclosing the relationship to the board (for instance, hiring a sibling as a Trustee);
- Setting one's own pay or employment terms (for instance, voting on a contract with one's own company);
- Receiving a larger benefit for board or employment service than an objective evaluator would find normal (for instance, agreeing to paint a 5x5 room, and receiving \$10,000.00 for labor).

Definitions

Interested Person

Any trustee, principal officer, or member of a committee with governing board delegated powers, or an employee with delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Excess Benefit Transaction

An "excess benefit transaction" is a transaction in which an economic benefit is provided by Henrietta Public Library, directly or indirectly, to or for the use of a disqualified person, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization. To determine if



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an excess benefit transaction occurred, include all consideration and benefits exchanged between or among the disqualified person and the applicable tax-exempt organization and all entities it controls.

Financial Interest

A person has a "financial interest" if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Henrietta Public Library has a transaction or arrangement; or
- A compensation arrangement with Henrietta Public Library or with any entity or individual with which Henrietta Public Library has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Henrietta Public Library is negotiating a transaction or arrangement.

NOTE: "Compensation" includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial. A "financial interest" isn't necessarily a conflict of interest; a person who has a financial interest may have a "Conflict of Interest" only if the appropriate Board decides that a conflict of interest exists.