



## **THE GREENWICH LIBRARY**

### **ETHICS AND CONFLICTS POLICY STATEMENT**

**Adopted: December 9, 2014**

#### **Introduction**

This Ethics and Conflicts Policy Statement (the “Policy Statement”) sets forth the standards relating to ethical conduct and conflicts of interest for Trustees and Officers of the Greenwich Library (the “Library”). For purposes of this Statement, Trustees means active members of the Library’s Board (the “Board”) and Officers means the Director and Deputy Director of the Library.

#### **1. Compliance with Laws and Other Ethical Standards**

Trustees and Officers shall comply with the letter and spirit of all applicable local, state and federal laws, the ethical standards set forth in this Policy Statement, and any additional ethical standards set forth by organizations relevant to the particular profession(s) of each Trustee and Officer. In recognition of the fact that Officers of the Library are employees of the Town of Greenwich, in the event of a conflict or inconsistency between the standards set forth in this Statement and any more stringent standard of conduct promulgated by the Town of Greenwich, the Town’s standard shall control.

#### **2. Fiduciary Duties**

Trustees and Officers owe the fiduciary duties of care, loyalty and obedience to the Library. The duty of care requires Trustees and Officers to exercise the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. The duty of loyalty requires Trustees and Officers to faithfully pursue the interests of the Library rather than their own financial or other interests or those of another person or organization. The duty of obedience requires Trustees and Officers to act with fidelity to the Library’s mission.

Trustees and Officers shall be attentive to the Library’s activities and finances. Trustees shall oversee the way in which the Library’s assets and affairs are managed and Officers of the Library shall be actively engaged in such management. This includes attending and participating in meetings, reading and understanding financial statements, asking questions and exercising sound judgment. Breach of any fiduciary duty by a Trustee or Officer may subject the Trustee or Officer to financial or legal consequences and may result in removal from his or her position as a Trustee or Officer.

Trustees and Officers should keep in mind that any action taken by them as individuals may reflect on, or be attributed to, the Library. No Trustee or Officer shall misuse the Library's name, reputation, property or services, nor shall any Trustee or Officer compromise the Library's goodwill.

### **3. Conflicts of Interest**

#### **A. General**

The Library is committed to transparency and openness in its operations. In particular, as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code, the Library is subject to tax and other legal requirements, including prohibitions against transactions that benefit a private individual as opposed to the public that the Library is formed to serve (referred to in the tax code and regulations as "private inurement" or "private benefit" transactions). If a tax-exempt organization fails to meet these requirements, certain penalties could be imposed, including loss of the organization's tax-exempt status or imposition of financial penalties, which would be payable by the organization's managers and/or certain insiders (sometimes called "disqualified persons" in the tax code) who are involved in the impermissible transaction. Further, in order to meet the Library's annual disclosure requirements of IRS Form 990 (Return of Organization Exempt from Income Tax), the Library must understand whether each Trustee is an "independent voting member of the governing body" with respect to the Library and must learn of any transactions that must be disclosed on the Form 990.

In order to promote transparency and openness, to address these tax and legal requirements, and to address other issues of potential conflicts of interest, the Board of Trustees has adopted this Policy Statement.

#### **B. Conflicts of Interest—Defined**

A Trustee or Officer has a conflict of interest (referred to in this Policy Statement as a "Conflict") when the Trustee or Officer, or any member of his or her Family,<sup>1</sup> directly or indirectly:

- has any personal, business or other interest or affiliation that could be construed as being Library-related, such as (but not limited to) serving as a trustee, officer, director, employee or partner of, or owning greater than 5% of the voting stock or controlling interest in, any organization that does business or wishes to do business with the Library, or
- receives a personal, business or other benefit (other than the reasonable compensation of an Officer by the Town of Greenwich) as a result of the Trustee's or Officer's affiliation with the Library.

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<sup>1</sup> The term "Family" as used in this Policy includes individuals related to a Trustee or Officer by marriage, domestic partnership, blood or adoption, or who are otherwise closely identified with the Trustee or Officer.

### **C. Avoidance of Conflict of Interest**

Each Trustee and Officer shall exercise care to ensure that no harm to the Library's interests results from a conflict of interest between the Library's interests and any personal, business or other interests of the Trustee or Officer or any member of his or her Family. Trustees and Officers should avoid situations in which a conflict of interest, or the appearance of a conflict of interest, could arise.

### **D. Disclosure of Potential Conflict of Interest**

If any Trustee or Officer or any member of his or her Family has, or reasonably expects to have, interests or affiliations that could be construed as creating a conflict or the appearance of a Conflict, the Trustee or Officer shall promptly inform the President of the Board of Trustees (the "Board"), who shall promptly inform the other members of the Board's Executive Committee. If a Trustee who is a member of the Executive Committee (including the President of the Board) or any member of his or her Family, has, or reasonably expects to have, a Conflict, he or she shall promptly inform the remaining members of the Executive Committee.

### **E. Evaluation of Potential Conflict of Interest**

1. The Executive Committee shall review the information relating to any potential Conflict and shall take one of the following actions as they deem appropriate: (i) finding that no Conflict or potential Conflict exists; (ii) finding that a Conflict or potential Conflict exists and that the situation resulting in such Conflict should cease or not be permitted to proceed; or (iii) referring the actual or potential Conflict to the Board for consideration. In the event the actual or potential Conflict is referred to the Board for consideration, the Board shall take such action(s) as the Board in its discretion deems appropriate, including, but not limited to, any one of the following: (a) finding that no Conflict or potential Conflict exists; (b) finding that a Conflict or potential Conflict exists and that the situation resulting in such Conflict should cease or not be permitted to proceed; or (c) finding that a Conflict or potential Conflict exists and that a waiver or conditional waiver of such Conflict should be granted.
2. Generally, the Trustee or Officer associated with a potential Conflict may be present at the meeting(s) held to evaluate the potential Conflict in order to respond to questions and elaborate on the information presented; however, as set forth in Section 3(H) of this Policy, such Trustee or Officer shall leave the meeting during any discussion or vote relating to such matter.
3. In all cases, the decision and/or recommendation shall be recorded in writing by the Executive Committee or the Board of Trustees, as applicable. A copy of the final decision and/or recommendation shall be provided to the Trustee or Officer. The Trustees' office shall maintain a central repository for all such written decisions and/or recommendations.

## **F. Accessibility of Information**

The President of the Board, or the Executive Committee, as applicable, may request from Trustees or Officers information relevant to ensuring compliance with this Policy. Because the integrity, and therefore, the credibility of the Library are enhanced by disclosure, Trustees and Officers shall provide any relevant information reasonably requested.

## **G. Confidentiality in Review**

Persons to whom disclosures are made shall take steps to ensure the confidentiality of the disclosure. All information relating to an actual or potential Conflict shall be handled confidentially unless public disclosure is part of the conflict of interest management plan or is required by law.

## **H. Abstention from Voting**

A Trustee or Officer shall not vote on, approve or recommend any transaction in which he or she or any member of his or her Family has any actual or potential Conflict. If the Trustee or Officer is present at a meeting of the Board or any committee of the Board at which such a matter is considered, the Trustee or Officer shall leave the meeting during any discussion or vote relating to such matter. The remaining Trustees and Officers, as applicable, shall determine whether the transaction is both proper and beneficial to the Library. The minutes of the meeting shall record the disclosure of the Conflict, the Trustee's or Officer's abstention from consideration of the matter, and the determination, if made, that the transaction is in the Library's interest.

## **I. Trustee Candidates**

The Nominating Committee shall, in considering candidates for the Board of Trustees, ascertain whether the candidate, or a member of his or her Family, has any direct or indirect personal, business or other interests or affiliations that could be construed as giving rise to an actual or potential Conflict that should be reported to the Board of Trustees prior to the candidate's nomination being acted upon by the Board.

## **4. Library Resources**

Trustees and Officers shall use Library resources for Library business only and not for personal gain or at the expense of patrons; provided, however, that they may use Library resources in the same manner as any member of the general public. Library resources include, but are not limited to, the Library's collections, supplies, equipment, staff and premises. In addition, the name, reputation and goodwill of the Library are valuable assets and should not be used by Trustees or Officers for personal advantage or for the advantage of any other person or entity.

## **5. Confidential Information**

Unless otherwise required by law, Trustees and Officers shall not disclose confidential information obtained in the course of their duties as Trustees or Officers. Confidential information is any information that is not generally available to the public. The obligation to keep such information confidential shall continue after the cessation of a Trustee's term on the Board of Trustees or the Officer's employment at the Library.

## **6. Trustee-Staff Relationship**

Trustees and Officers should not use their position to obtain unreasonable or excessive services or expertise from Library staff. Neither Trustees nor any member of a Trustee's or Officer's Family shall serve as paid employees of the Library unless approved in advance by the Board.

## **7. Gifts**

Trustees and Officers shall avoid activity that could be construed as illegal, improper or corrupt. In order to avoid the appearance of impropriety, Trustees, Officers and their Family members may not knowingly accept, in connection with their official relationship with the Library or their performance of any duty as a Trustee or Officer, gifts with a value of \$100 or more from any one source in a calendar year (including a discount or special price on personal purchases) from any individual or organization that does business with, or that wishes to do business with, the Library. Gifts of cash or cash equivalents (e.g., gift cards) may never be accepted.

Notwithstanding the provisions of the previous paragraph, meals or other customary entertainment that would be appropriate to be reimbursed as a business expense may be accepted, except where the acceptance would compromise, or could reasonably be perceived to compromise, the judgment of the Trustee or Officer or the reputation of the Library.

## **8. Interpretation**

This Policy Statement cannot describe all potential conflicts of interest or ethical issues that may arise, and its application may be uncertain at times. Officers and Trustees should exercise the highest standards of ethical judgment and err on the side of caution. Attached hereto as Appendix A is a list of examples to assist Trustees and Officers in determining whether a conflict of interest or other ethical issue may exist. Trustees and Officers are encouraged to consult with the President of the Board if they have any questions as to the applicability of this Policy Statement to a particular situation.

## **9. Policy Distribution/Conflict of Interest Statement**

Each Trustee and Officer was provided with a copy of this Policy promptly after its enactment by the Board.

Newly elected Trustees and newly appointed Officers shall be provided with a copy of this Policy upon election to the Board or appointment as an Officer. Upon receipt, each such newly elected Trustee and newly appointed Officer shall promptly complete, sign and return the attached Conflict of Interest Statement.

Each Trustee and Officer shall be provided with a copy of this Policy on an annual basis. Upon receipt, each such Trustee and Officer shall promptly complete, sign and return the attached Conflict of Interest Statement and an associated Questionnaire.

## Appendix A

This Appendix provides a list of examples to assist Trustees and Officers in determining whether a conflict of interest or other ethical issue may exist. This list does not purport to include every possible ethical issue that may arise. Trustees and Officers are encouraged to consult with the President of the Board if they have any questions as to the applicability of this Policy Statement to a particular situation.

**Situation 1: A Trustee, Officer or a Family Member of a Trustee or an Officer is the principal of a vendor or service provider that wants to submit a bid to perform work for the Library.**

Analysis: This situation would constitute a Conflict. In the case of a Trustee or Officer, the Conflict should be disclosed in the manner set forth in the Policy Statement. In the case of a Family member of a Trustee or Officer, the Trustee or Officer should either (i) tell his or her family member not to bid on the project or (ii) promptly disclose the Conflict in the manner set forth in the Policy Statement.

If the Trustee or Officer decides to disclose the potential Conflict, the disclosure will be reviewed as set forth in this Policy Statement and the Trustee or Officer will receive a written copy of the final decision and/or recommendation as to how the conflict should be handled. The Trustee, Officer or Family member, as the case may be, should not submit a bid unless and until permission has been granted to do so pursuant to such written decision or recommendation.

**Situation 2: A Trustee or Officer wants to hire a contractor who does renovation work for the Library to perform renovations in the Trustee's or Officer's home.**

Analysis: This situation may constitute a Conflict, because the Trustee or Officer may receive a benefit as a result of the Trustee's or Officer's affiliation with the Library (for example, the contractor may feel obligated to work for the Trustee or Officer or to give the Trustee or Officer a discount as a result of the Trustee's or Officer's affiliation with the Library). In this situation, the Trustee or Officer should either (i) refrain from hiring the contractor or (ii) disclose the potential Conflict in the manner prescribed in this Policy Statement to determine if permission will be granted for the Trustee or Officer to hire the contractor.

**Situation 3: One of the Library's investment managers invites certain Trustees and Officers to a dinner event for which the investment manager purchased an expensive table for guests.**

Analysis: In most cases, the Trustees and Officers could accept this invitation. Lunches, dinners or other customary entertainment that would be

appropriate to be reimbursed as a business expense may be accepted, except where the acceptance would compromise, or could reasonably be perceived to compromise, the judgment of the Trustee or Officer or the reputation of the Library.

**Situation 4: Under circumstances that arise or that may appear to arise from a Trustee’s or Officer’s official relationship with the Library or the performance of any duty as a Trustee or Officer, one of the Library’s investment managers invites a Trustee or Officer to a weekend investment seminar/retreat at a luxury resort--all travel, lodging and meal expenses to be paid by the investment manager.**

Analysis: The Trustee or Officer should decline the invitation. Even if this expense could be reimbursed as a business expense, the value and nature of the invitation is such that it could reasonably be perceived to compromise the judgment of the Trustee or Officer or the reputation of the Library.

**Situation 5: A Trustee is a member of the Board of Directors of a local independent school (the “School”). The School has begun a capital campaign and has asked its Directors (including the Trustee) to develop a list of individuals to personally solicit for contributions. The Trustee would like to access the Library’s list of donor addresses and phone numbers for the purpose of soliciting contributions from individuals who are not otherwise known personally to the Trustee.**

Analysis: Even though the Trustee has no personal financial interest at stake, the Trustee has a conflict of interest because the Trustee owes a fiduciary duty of loyalty both to the Library and to the School. The Trustee’s fiduciary duty of loyalty to the Library does not permit the use of the Library’s non-public donor information for any purpose other than raising funds for the Library. The Trustee must not access, or request access to, such information for the purpose of soliciting contributions to the School without first disclosing the Trustee’s conflict of interest to the President of the Board and receiving final and express permission to do so in accordance with this Policy Statement.

**Situation 6: A Trustee is a member of the Board of Estimate & Taxation (the “BET”) of the Town of Greenwich (the “Town”). A substantial portion of the Library’s annual budget is funded by the Town and the BET is responsible for approving appropriations to the Library. At an upcoming meeting, the Library’s Board will discuss and vote whether to approve a budget for the next fiscal year. If the Library Board approves the budget, the Library will submit the budget for the BET’s approval. The BET will, at a subsequent meeting of the BET, consider and vote whether to approve the Library’s budget proposal.**

Analysis: The Trustee has a conflict of interest by reason of the relationship between the Library and the BET and the Trustee's dual role as a Trustee and BET member. Accordingly, the Trustee must disclose the Trustee's conflict of interest to the President of the Board. Pursuant to Paragraph 3.H. of this Policy Statement, the Trustee must leave the Library Board's meeting while the Library Board discusses and votes whether to approve the proposed budget, and the minutes of the meeting should reflect that the Trustee disclosed the conflict and was not present for that portion of the meeting. The Trustee should also recuse himself or herself from participating in the BET's discussion or vote whether to approve the Library's proposed budget.

**THE GREENWICH LIBRARY**

**TRUSTEE AND OFFICER CONFLICT OF INTEREST STATEMENT**

I, as a Trustee or Officer of the Greenwich Library (the “Library”), certify that:

1. I have received a copy of the Library’s Ethics and Conflicts Policy for Trustees and Officers (the “Policy Statement”).
2. I have read and understand the Policy Statement.
3. I agree to comply with the provisions of the Policy Statement.
4. If I or any member of my Family (as defined in the Policy Statement) has, or reasonably expects to have, now or in the future, any interest or affiliation that could be construed as creating a conflict or the appearance of a conflict with the interests of the Library, I shall promptly provide written notice to the President of the Board of the Library (or, if I am the President of the Board, I shall promptly provide written notice to the Executive Committee of the Board).
5. I shall not vote on, approve or recommend any transaction in which I or any member of my Family has any actual or potential conflict of interest. If I am present at a meeting of the Board or any Committee at which such a matter is considered, I shall leave the meeting during any discussion or vote relating to such matter.
6. I have listed on the attachment hereto those entities of which I or any member of my Family is a trustee, officer, director, employee or partner, and those entities of which I or any member of my Family is the owner of greater than 5% of the voting stock of, or a controlling interest in, such entity.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Please return this form to:

Trustees’ Office  
Greenwich Library  
101 West Putnam Avenue  
Greenwich, Connecticut 06830

**Entity Listing**

List below those entities of which you or any member of your Family is a trustee, officer, director, employee or partner, and those entities of which you or any member of your Family is the owner of greater than 5% of the voting stock of, or a controlling interest in, such entity.

Entity Name and Address	Your Position (e.g., trustee, officer, director, employee, partner or owner)