ARTICLE I
PURPOSE

To preserve the integrity of the decision-making process of the Queens Borough Public Library ("Library"), the Library has adopted and maintains this Conflicts of Interest Policy ("Policy") to govern its trustees, officers, key persons, and employees in matters in which they may have a conflict of interest. The trustees, officers, key persons, and employees of the Library bear a fiduciary duty to the Library. Each of them is expected to exercise their judgment and powers in the best interests of the Library in preference to their individual interests and the interests of third parties when evaluating and approving transactions and other arrangements undertaken by, and otherwise performing and discharging their respective functions as trustees, officers, key persons, and employees of, the Library. This Policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to nonprofit corporations.

ARTICLE II
CONFLICTS OF INTEREST

1. Conflicts of Interest.

   (a) General. A conflict of interest exists when a trustee, officer, key person, and employee or a person or firm “associated” with any of the above persons:

   (i) Has an actual or potential involvement, interest, or relationship, either directly or indirectly, in any proposed or actual contract, transaction, or arrangement involving the Library.

   (ii) Receives a personal, business, or other benefit as a result of their affiliation with the Library.

   (iii) Has any personal, business, or other interest or affiliation that could be construed as being Library-related. This includes, but is not limited to, serving as a trustee, officer, director, employee, or partner in, or owning greater than 4% of the voting stock or controlling interest in, any organization that does business or wishes to do business with the Library.

   (b) Specific Conflicts of Interest. The following situations and actions (direct or indirect) involving any trustee, officer, key person, or employee shall also constitute a conflict of interest:
(i) The use of his or her position, influence, knowledge of confidential information, or Library assets for personal, business, or other benefit for themselves and/or for anyone with whom they are associated. Without limitation of the foregoing, a direct or indirect financial interest, including a joint venture in or with a current or prospective supplier or vendor of the Library, without disclosure and written approval of the Library’s Board of Trustees as set forth in this Policy, shall be a conflict of interest and is strictly prohibited and will constitute cause for dismissal.

(ii) The use or attempt to use their position to obtain any financial gain, contract, privilege or other advantage, whether financial or otherwise, direct or indirect, for themselves and/or for anyone with whom they are associated.

(iii) Their employment by a person or entity that has business or financial dealings or is adverse in a litigation or a legal proceeding with the Library. Business or financial dealings shall not include charitable contributions or those involving funding from a Federal, State, or City agency.

(iv) Their employment outside of the Library, or involvement with an outside business venture, and, in connection with such employment or involvement, one or more of the following:
   a. The use of their position at the Library to obtain any advantage or benefit for such employer or outside business venture;
   b. The use of Library letterhead, personnel, equipment, resources, or supplies for such employer or outside business venture.
   c. The performance of any non-Library business for another employer or outside business venture during times when they are required to perform services for the Library.
   d. The use or disclosure of confidential Library information to or for the advantage or benefit of such employer or outside business venture; or
   e. The performance of work for such employer or outside business venture on any matter that is before the Library for consideration.

ARTICLE III
OTHER ACTIONS PROHIBITED

No trustee, officer, key person, or employee shall:

1. Directly or indirectly solicit any gift or accept or receive any gift having a value of one hundred dollars ($100.00) or more in any form under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties, or was intended as a reward for any official action on their part;

2. Disclose, in electronic, written, oral or any other form, confidential information, including any corporate books, records, documents and any other non-public information of the Library, acquired in the course of official duties or in meetings or executive sessions of the Board of Trustees or any committee of the Board of Trustees, or use such information to further personal interests or for any purpose other than for the exclusive benefit of the Library;

3. Receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Library, or the Board of Trustees, whereby compensation is to be dependent or contingent upon any action by the Library with respect to such matter;
4. Use a Library vehicle for non-intermittent personal use without the prior written approval of the Board of Trustees, except prior written approval is required of the President & CEO for vehicles assigned to employees for Library business purposes only which are garaged at an employee’s home overnight for garaging purposes, with personal use limited to commuting only;

5. Promote their personal interests, including promoting the activities, interests, and events of other organizations, for any reason while representing the Library or conducting Library business; or

6. Engage in any business, transaction, or private employment, or have any financial or other private interest, direct or indirect, which is in conflict with the proper discharge of their official Library duties.

ARTICLE IV
RELATED PARTY TRANSACTIONS

1. General. The Library shall not enter into a Related Party Transaction (as such term is defined herein) unless such transaction is determined by the Board of Trustees to be fair, reasonable, and in the Library’s best interest at the time of such determination.

2. Procedure. Any trustee, officer, key person, or employee who has, will have, or later acquires a conflict of interest in relation to a Related Party Transaction shall disclose the conflict of interest as required by this Policy. No Related Party may be present at or participate in deliberations of the Board of Trustees or any committee of the Board of Trustees, or vote on any matter giving rise to his or her potential conflict of interest, or attempt to improperly influence the deliberation of or vote on the matter giving rise to the potential conflict of interest, but the Board of Trustees or the committee involved may request that a Related Party present information regarding the Related Party Transaction prior to the commencement of deliberations or voting related to such transaction. The minutes of any meeting of the Board of Trustees or committee of the Board of Trustees shall contain a description of any Related Party Transaction disclosed and all relevant procedures and votes in connection therewith.

3. Related Party Transactions. With respect to any Related Party Transaction in which a Related Party has a substantial financial interest, the Board of Trustees, or the Audit Committee or other authorized committee thereof, shall:
   (a) Prior to entering into the Related Party Transaction, consider alternative transactions, to the extent available;
   (b) Vote on whether to approve the Related Party Transaction, which such approval must be by not less than a majority of the Board members present at the meeting; and
   (c) If the Related Party Transaction is approved, at the time of such approval, document in writing the basis for the Board’s approval, including its consideration of any alternative transaction.

ARTICLE V
PERMITTED ACTIVITIES

1. The following use of Library equipment are acceptable for personal purposes for the convenience of integrating work and personal activities and scheduling of meetings and appointments: cell phones and PDAs, tablets, computers and similar devices, calendars, outlook contacts, and similar work productivity tools, provided that such use is not otherwise
prohibited by this or other Library policy, does not interfere with or otherwise impede the
Library’s operations productivity, and involves no more than a minimal additional expense to
the Library.

2. This Policy shall not prohibit a trustee, officer, key person, and employee from obtaining any
Library services upon the same terms and conditions available to members of the public.

ARTICLE VI
ACKNOWLEDGEMENT OF CONFLICTS OF INTEREST POLICY
AND ANNUAL DISCLOSURE FORM

1. Trustees. Upon appointment of a trustee, and annually thereafter, each trustee shall complete,
sign and submit to the General Counsel of the Library, on behalf of the Secretary of the
Board of Trustees, a completed written disclosure form (“Disclosure Form”) identifying, to
the best of their knowledge, inter alia, any entity of which such trustee is an officer,
director, trustee, member, owner (either as a sole proprietor or a partner), or employee
and with which the Library has a relationship, and any transaction in which the Library is a
participant and in which the trustee might have a conflict of interest.

All trustees shall annually complete, sign and submit to the General Counsel of the
Library, on behalf of the Secretary of the Board of Trustees, a completed written
acknowledgement of this Conflicts of Interest Policy (“Acknowledgement of Conflicts
of Interest Policy”) affirming that he/she:

(a) Has received a copy of the Policy;
(b) Has read and understands the Policy;
(c) Has agreed to comply with the Policy; and
(d) Understands that the Library is a non-profit corporation and that in order to maintain its
federal tax exemption it must engage primarily in the activities which accomplish one
or more of its tax-exempt purposes.

The General Counsel shall collect and review the above-described disclosure forms from
trustees and provide a report to the Chair of the Audit Committee and to the Chair of the
Board of Trustees (so long as he/she is an Independent Trustee1), who shall review the
report and present their findings to the Audit Committee and the Board of Trustees.

2. Key Persons. Upon hiring or being designated a key person by the Audit Committee, and
annually thereafter, every key person shall complete, sign and submit the Disclosure
Form to the General Counsel of the Library, on behalf of the Secretary of the Board of
Trustees, identifying, to the best of their knowledge, inter alia, any entity of which such key
person is an officer, director, trustee, member, owner (either as a sole proprietor or a
partner), or employee and with which the Library has a relationship, and any transaction in
which the Library is a participant and in which the key person might have a conflict of
interest.

1 If the Chairman of the Board is not an Independent Trustee, then General Counsel will present the disclosure to the
Vice-Chairman; If the Chairman and Vice-Chairman are not Independent Trustees, then General Counsel will
present the disclosure to the Secretary; if the Chairman and Vice-Chairman and Secretary are not Independent
Trustees, then General Counsel will present the disclosure to the Treasurer; if the Chairman and Vice-Chairman
and Secretary and Treasurer are not Independent Trustees, then General Counsel will present the disclosure to the
Assistant Treasurer.
All key persons shall annually complete, sign, and submit to the General Counsel of the Library, on behalf of the Secretary of the Board of Trustees, a completed written Acknowledgement of Conflicts of Interest Policy affirming that he/she:

(a) Has received a copy of the Policy;
(b) Has read and understands the Policy;
(c) Has agreed to comply with the Policy; and
(d) Understands that the Library is a non-profit corporation and that in order to maintain its federal tax exemption it must engage primarily in the activities which accomplish one or more of its tax-exempt purposes.

The General Counsel shall collect and review the above-described disclosure forms from key persons, and submit the disclosure forms and provide a report to the Chair of the Audit Committee and to the Chair of the Board of Trustees (so long as he/she is an Independent Trustee\(^2\)), who shall review the disclosure forms and the report and present their findings to the Audit Committee and the Board of Trustees.\(^3\)

### ARTICLE VII

#### ADDITIONAL DISCLOSURE

1. **Disclosure of Trustee, Officer and Key Person Conflicts.** In addition to the requirement described above regarding the Acknowledgement of Conflicts of Interest Policy and Disclosure Form, any trustee, officer, or key person who has, will have, or later acquires an actual or potential conflict of interest shall disclose the nature and extent of such conflict of interest in writing to the Chair of the Audit Committee and to the General Counsel of the Library as soon as they have knowledge of such actual or potential conflict of interest. Promptly upon receipt of any such written disclosure, the General Counsel and/or the Chair of the Audit Committee shall deliver the disclosure to the Audit Committee, which shall be responsible for investigating and making determinations with respect to all such actual and potential conflicts of interest for all officers, trustees, and key persons. In the event the Audit Committee is unable to investigate and/or make determination with respect to any such actual and potential conflicts of interest involving any officer, trustee, or key person, the Board of Trustees shall be responsible for investigating and/or making determinations with respect to any such actual and potential conflicts of interest for any officer, trustee, and key person, provided that only Independent Trustees shall be permitted to participate in any investigation or determination, including deliberations or voting, of the Board of Trustees or the Audit Committee with respect such matters. Any written disclosure and documentation regarding the resolution of any such conflict of interest shall be documented in the Library’s records, including the minutes of any meeting of the Audit Committee or the Board of Trustees in which the conflict of interest was discussed or voted upon.

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\(^2\) If the Chairman of the Board is not an Independent Trustee, then General Counsel will present the disclosure to the Vice-Chairman; If the Chairman and Vice-Chairman are not Independent Trustees, then General Counsel will present the disclosure to the Secretary; if the Chairman and Vice-Chairman and Secretary are not Independent Trustees, then General Counsel will present the disclosure to the Treasurer; if the Chairman and Vice-Chairman and Secretary and Treasurer are not Independent Trustees, then General Counsel will present the disclosure to the Assistant Treasurer.

\(^3\) The General Counsel shall submit their Annual Disclosure Form directly to the Chair of the Audit Committee and the Chair of the Board of Trustees.

\(^4\) A copy of the Disclosure Form for any key person may be made available to a trustee upon request.
2. **Required Recusal.** No trustee, officer or key person may (a) be present at or participate in deliberations of the Audit Committee or the Board of Trustees or vote on any matter giving rise to or involving their potential Conflict of Interest, or (b) attempt to influence the deliberation of or vote on the matter giving rise to or involving their potential conflict of interest.

3. **Disclosure of Employee Conflicts.** Any employee, other than a key person, who has, will have, or later acquires a conflict of interest shall disclose the nature and extent of such conflict of interest in writing to the General Counsel of the Library as soon as they have knowledge of such actual or potential conflict of interest. Promptly upon receipt of any such written disclosure, the General Counsel and the President and Chief Executive Officer shall confer and decide on the best course of action and promptly inform the conflicted employee of the procedures that will be followed in order to deal with said conflict. The General Counsel shall provide annual report to the Audit Committee regarding the resolution of any such conflict.

4. **Certain Disclosure Required.**

   (a) All key persons shall be required to disclose any incidental outside employment, prior to accepting any incidental outside employment, to the General Counsel who shall report such disclosure to the Chairman of the Board and the Chair of the Audit Committee. Note that the Library’s By-laws prohibit key executive employees—which the By-laws define as the (i) President and Chief Executive Officer, (ii) Chief Librarian and Senior Vice President, (iii) Chief Operating Officer and Senior Vice President, (iii) Chief Financial Officer and Senior Vice President, (iv) General Counsel and Senior Vice President, and (v) Chief of Staff and Senior Vice President—from holding any incidental outside employment without having obtained the prior approval of the Board of Trustees.

   (b) All trustees and officers shall promptly disclose any change in outside employment that requires disclosure on the required Disclosure Form described above.

5. **Role of the General Counsel.** With respect to this Policy, the Board of Trustees and/or the Audit Committee may refer an actual or potential conflict of interest to the Library’s General Counsel for interpretation and recommendation. Any recommendation or opinion issued by the General Counsel shall not be binding on the Board of Trustees and/or the Audit Committee.

6. **Interpretation of this Policy.** Questions regarding the interpretation of this Policy should be directed to the General Counsel or the Audit Committee.

**ARTICLE VIII**

**ACTUAL AND POTENTIAL VIOLATIONS**

1. **Violations.** Any Library trustee, officer, key person, or employee who willfully and knowingly violates the provisions of this Policy shall be subject to disciplinary and/or corrective action up to and including, without limitation, suspension, discharge, and removal from office.

2. **Reporting of Violations.** Each Library trustee, officer, key person, or employee has a responsibility to promptly report in good faith known or suspected violations of this Policy.

   (a) Reporting of any known or suspected violations of this Policy involving Library employees who are not key persons may be made to the Office of the General Counsel.
The General Counsel, in consultation with the President and CEO, shall be responsible for investigating and making determinations with respect to all such actual and potential conflicts of interest for all employees who are not key persons. In the event the General Counsel is unable to investigate and/or make determination with respect to any such actual and potential conflicts of interest for any employee who is not a key person, the President and CEO shall appointed another person who shall be responsible for investigating and/or making determinations with respect to any such actual and potential conflicts of interest. The General Counsel shall provide an annual report to the Audit Committee regarding the resolution of any such conflict.

(b) Reporting of any known or suspected violations of this Policy involving any trustee, officer, or key person may be made to the General Counsel, the Chair of the Audit Committee, and/or any other member of the Audit Committee, provided that such report shall not be made to a party involved in the known or suspected violation. Promptly upon receipt of any such reporting, the General Counsel, the Chair of the Audit Committee, and/or the member of the Audit Committee to whom the reporting was made shall deliver the disclosure to the Audit Committee, which shall be responsible for investigating and making determinations with respect to all such actual and potential conflicts of interest for all officers, trustees, and key persons. In the event the Audit Committee is unable to investigate and/or make determination with respect to any such actual and potential conflicts of interest involving any officer, trustee or key person, the Board of Trustees shall be responsible for investigating and/or making determinations with respect to any such actual and potential conflicts of interest for any officer, trustee, and key person, provided that only Independent Trustees shall be permitted to participate in any investigation or determination, including deliberations or voting, of the Board of Trustees or the Audit Committee with respect such matters. Any documentation regarding the resolution of any such conflict of interest shall be documented in the Library’s records, including the minutes of any meeting of the Audit Committee or the Board of Trustees in which the conflict of interest was discussed or voted upon.

3. Remedies as to Contracts. Any contract entered into with the Library in which there is a conflict of interest prohibited by this Policy may be subject to such action as the Board of Trustees deems appropriate including a declaration that such contract may be null, void and wholly unenforceable as determined by the Board of Trustees to be in the best interest of the Library.

4. General. All trustees, officers, key persons, and employees of the Library are required to be fully informed of the requirements of this Policy, and no failure in that regard by an individual will render the individual’s violation of the Policy unknowing or not willful.
APPENDIX A
Definitions

1. A person or firm “associated” with a Library trustee, officer, key person, or employee includes a relative; a person with whom the Library trustee, officer, key person, or employee has a business or other financial relationship; and each firm in which the Library trustee, officer, key person, or employee has a present or potential interest.

2. “Interest” means a direct or indirect pecuniary or other material benefit (whether pecuniary or non-pecuniary). For the purposes of this Policy, a trustee, officer and employee shall be deemed to have an Interest in the contract, transaction or other arrangement of, or other matter involving or affecting any of:
   
   (a) His/her spouse, children and dependents;
   (b) A firm, partnership, association or other entity of which such trustee, officer, key persons, or employee is a member or employee;
   (c) A firm, partnership, association or other entity wherein such trustee, officer, key persons, or employee beneficially owns or directly or indirectly controls in excess of 4% of the stock or other equity of such entity and of which such trustee, officer, key persons, or employee is an officer, director, or trustee; and
   (d) A publicly held entity wherein such trustee, officer, key persons, or employee beneficially owns or directly or indirectly controls in excess of 4% of the stock or other equity of such entity.

3. “Independent trustee” means a trustee who: (i) is not, and has not been within the last three years, an employee or a key person of the corporation or an affiliate of the corporation, and does not have a relative who is, or has been within the last three years, a key person of the corporation or an affiliate of the corporation; (ii) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than ten thousand dollars in direct compensation from the corporation or an affiliate of the corporation; (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has provided payments, property or services to, or received payments, property or services from, the corporation or an affiliate of the corporation if the amount paid by the corporation to the entity or received by the corporation from the entity for such property or services, in any of the last three fiscal years, exceeded the lesser of ten thousand dollars or two percent of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than five hundred thousand dollars; twenty-five thousand dollars if the entity's consolidated gross revenue was five hundred thousand dollars or more but less than ten million dollars; one hundred thousand dollars if the entity's consolidated gross revenue was ten million dollars or more; or (iv) is not and does not have a relative who is a current owner, whether wholly or partially, director, officer or employee of the corporation's outside auditor or who has worked on the corporation's audit at any time during the past three years. For purposes of this subparagraph, the terms: “compensation” does not include reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director as permitted by paragraph (a) of section 202 of the New York Not-for-Profit-Corporation Act; and “payment” does not include charitable contributions, dues or fees paid to the corporation for services which the corporation performs as part of its nonprofit purposes, or payments made by the corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the corporation are
available to individual members of the public on the same terms, and such services received by the corporation are not available from another source.

4. “Related party” means (i) any trustee, officer or key person of the corporation or any affiliate of the corporation; (ii) any relative of any individual described in clause (i) of this subparagraph; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph 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.

5. “Related party transaction” means any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the corporation or any affiliate of the corporation is a participant, except that a transaction shall not be a related party transaction if: (i) the transaction or the related party's financial interest in the transaction is de minimis, (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

6. “Relative” of an individual means (i) his or her spouse or domestic partner as defined in section twenty-nine hundred ninety-four-a of the Public Health Law; (ii) his or her ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren; or (iii) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren, and great-grandchildren.

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

8. “Key person” means any person, other than a trustee or officer, whether or not an employee of the corporation, who (i) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of trustees and officers; (ii) manages the corporation, or a segment of the corporation that represents a substantial portion of the activities, assets, income or expenses of the corporation; or (iii) alone or with others controls or determines a substantial portion of the corporation’s capital expenditures or operating budget.

For purposes of clarity, individuals holding the following positions/titles at the Library are illustrative of key persons, but such list is not exhaustive: (i) President and Chief Executive Officer; (ii) Chief Librarian and Senior Vice President; (iii) Chief Operating Officer and Senior Vice President; (iii) Chief Financial Officer and Senior Vice President; (iv) General Counsel and Senior Vice President; (v) Chief of Staff and Senior Vice President.

9. “Trustee” means all members of the Board of Trustees, including voting and non-voting members.
Without limiting the generality of the foregoing, the following are illustrative examples of situations that would, absent a specific determination of the Audit Committee to the contrary based on the facts of a particular case, be deemed to constitute a Conflict of Interest under this Policy:

1. If a Trustee also holds other positions within local or state government, such a Trustee would have a conflict of interest and should recuse themselves if their employer’s interests are implicated in a decision of the Board of Trustees. See, e.g., AG Informal Opinion No. 99-34, AG Informal Opinion No. 98-17 and 1986 N.Y. AG LEXIS 16.

2. If a Trustee also holds other positions with an employer that conducts business with the Library, such a Trustee would have a conflict of interest and should recuse themselves if their employer’s interests are implicated in a decision of the Board of Trustees. See, e.g., AG Informal Opinion No. 97-5.

3. If a Trustee has a personal or family interest in the outcome of a matter before the Board of Trustees, such a Trustee would have a Conflict of Interest and should recuse themselves from consideration, discussion and decision of that matter. See, e.g., AG Informal Opinion No. 88-63.

Revises: July 2014 Policy & Procedures Section F#3