

Marmot Library Network
POLICY
CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE:

Marmot Library Network is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important for its continued financial stability. Consequently, there exists between Marmot Library Network and its Executive Board, Executive Director, members, and employees a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Executive Board, Executive Director, members and employees have the responsibility of administering the affairs of Marmot Library Network honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Marmot Library Network.

Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Marmot or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed not only to the director, board, and members, but to all employees who can influence the actions of Marmot. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning Marmot.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of the director, board, members, and employees with any of the following third parties:

1. Persons and firms supplying goods and services to Marmot.
2. Persons and firms from whom Marmot leases property and equipment.
3. Persons and firms with whom Marmot is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting Marmot.
6. Agencies, organizations, and associations which affect the operations of Marmot.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with Marmot.
2. Holding office, serving on the board, participating in management, or being

otherwise employed (or formerly employed) with any third party dealing with Marmot.

3. Receiving remuneration for services with respect to individual transactions involving Marmot.

4. Using Marmot's time, personnel, equipment, supplies, or good will for other than Marmot-approved activities, programs, and purposes.

5. Receiving personal gifts or loans from third parties dealing or competing with Marmot. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the director, board, members, and employees will recognize such areas.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of Marmot. However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, director, members, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The board has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the Executive Director (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the board.

The board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to Marmot. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of Marmot and the advancement of its purpose.