

FOL Conflict of Interest Policy and Disclosure Statement

As a nonprofit, tax-exempt organization working in the public interest, the Friends of the Fernandina Beach Library (FOL) is subject to scrutiny by and accountable to members of the public as well as to government authorities.

Its board and officers have a fiduciary duty to administer the affairs of the FOL honestly and prudently and to exercise their best care, skill, and judgment for the organization's sole benefit. They are required to exercise good faith in all transactions related to their duties and *not* to use their positions with the FOL, or knowledge gained there from, for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

- A. **Areas in which conflict may arise.** Conflicts may arise in directors' and officers' relations with any of the following third parties:
1. Persons and/or firms supplying goods and services to the Friends of the Fernandina Beach Library (FOL) or the Fernandina Beach Library;
 2. Persons and/or firms from whom the FOL or Fernandina Beach Library leases property or equipment;
 3. Persons and/or firms with whom the FOL or Fernandina Beach Library 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 the FOL;
 6. Agencies, organizations, and associations that affect FOL or Fernandina Beach Library operations; and
 7. Family members, friends, and Fernandina Beach Library staff.
- B. **Nature of conflicting interest.** A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in *A*. Such an interest might arise through:
8. Owning stock or holding debt or other proprietary interests in any third party dealing with the FOL or Fernandina Beach Library, other than stock in a publicly traded company in an amount that does not exceed 1 percent of the total amount of that company's outstanding stock;
 9. Serving on the board, holding office, participating in management, or being otherwise compensated or employed (or formerly compensated or employed in the immediate past three years) with any third party dealing with the FOL or Fernandina Beach Library;
 10. Receiving remuneration for services involving the FOL or Fernandina Beach Library;
 11. Using the time, equipment, supplies, or goodwill of the FOL or Fernandina Beach Library for other than FOL-approved activities, programs, and purposes; and
 12. Receiving personal gifts or loans from third parties dealing or competing with the FOL or Fernandina Beach Library.
- C. **Application of this policy statement.** The areas in which a conflict may arise as listed in *A*, and the nature of the conflict as listed in *B*, are not exhaustive. Conflicts might arise in other areas or

through other relations. It is assumed that FOL officers and directors will recognize such areas and relation by analogy. Any questions regarding applicability should be directed to the FOL board president.

The existence of an interest described in *B* does not necessarily mean that (1) a conflict exists; (2) if it exists, the conflict is material enough to be of practical importance; or (3) if it is material, the conflict, upon full disclosure of all relevant facts and circumstances, is necessarily adverse to FOL interests.

However, it is board policy that the existence of any of the interests described in *B* shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of directors and officers to scrutinize their transactions and outside interests and relationships for potential conflicts and to immediately make such disclosures as outlined in *D*.

In addition, directors and officers under the scope of this policy will, on an annual basis, complete a Statement of Disclosure and Independence. These statements will be provided to the board president for review (the first vice president will review the statement of the board president). All statements will then be kept on file by the FOL.

D. Disclosure procedures. Transactions with parties with whom a conflicting interest exists may be undertaken only if:

13. The conflicting interest is fully disclosed;
14. The person with the conflict of interest is specifically excluded from the discussion and approval of such transactions;
15. A competitive bid or comparable valuation exists; *and*
16. The board of directors has determined that the transaction is in the best interest of the organization.

Disclosure involving directors or officers should be made to the board president (or if the board president is the one with the conflict, to the first vice president), who shall bring the matter to the attention of the board.

The board of directors shall determine whether a conflict of interest exists and, in the case of a conflict, whether the contemplated transaction may be authorized as in the best interests of the FOL. The decision of the board on these matters will rest in its sole discretion, and its concern must be the welfare of the organization and the advancement of its mission.