

**Ohio Library Council  
BOARD OF DIRECTORS**

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ITEM NO.: **4.B**

MEETING DATE: **Jan. 20, 2023**

SUBJECT: **Conflict of Interest Policy and  
Acknowledgement Form**

SUBMITTED BY: **Michelle Francis**

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**REPORT FOR ACTION**

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In 2008, the Ohio Library Council Board of Directors adopted the following Conflict of Interest Policy:

**CONFLICT OF INTEREST POLICY**

This conflict of interest policy is designed to help directors and officers of the Ohio Library Council identify situations that present potential conflicts of interest and to provide the Ohio Library Council ("OLC") with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director or officer has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in Ohio Revised Code Section 1702.301, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in ORC Section 1702.301, the statute shall control.

1. Definitions

- 1.1 Interested Person. Any director or officer who has a direct or indirect financial interest, as defined below, is an interested person.
- 1.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
  - a. An ownership interest in any entity with which the OLC has a transaction or arrangement;
  - b. A compensation arrangement with the OLC or with any entity or individual with which the OLC is negotiating a transaction or arrangement; or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the OLC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 2.2, a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

2. Procedures

- 2.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and all material facts related thereto to the Board or committee of the Board considering a proposed transaction or arrangement.

2.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

2.3 Procedures for Addressing the Conflict of Interest.

- a. If the Board determines that a conflict of interest exists, the interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest.
- b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the OLC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee may proceed with the proposed transaction or arrangement only if it determines, by a majority vote of the disinterested directors, that the proposed transaction or arrangement is in the OLC's best interest, for its own benefit, and is fair and reasonable.

2.4 Violations of the Conflicts of Interest Policy

- a. If the Board or committee has reasonable cause to believe a director or officer has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the director or officer an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the director or officer's response and after making further investigation as warranted by the circumstances, the Board or committee determines the director or officer has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

3. Records of Proceedings

The minutes of the Board and all committees with Board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

4. Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the OLC for services is precluded from voting on matters pertaining to that member's compensation.

- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the OLC for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the OLC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5. Annual Statements

Each director, principal officer and member of a committee with Board delegated powers shall:

- (1) annually sign a statement which affirms such person:
  - a. Has received a copy of the conflicts of interest policy,
  - b. Has read and understands the policy,
  - c. Has agreed to comply with the policy, and
  - d. Understands the OLC is an entity described in Section 501(c)(6) of the Internal Revenue Code of 1986, as amended, and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- (2) annually disclose information concerning possible conflicts of interest.

**Each member of the 2023 OLC Board of Directors is asked to sign the attached form to acknowledge an understanding of the policy and to agree to comply with it.**

**Ohio Library Council  
Board of Directors**

**CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT  
2023**

As a member of the 2023 OLC Board of Directors:

I hereby confirm that I have read and understand the Ohio Library Council Board of Directors' Conflict of Interest Policy and pledge to act in accordance with the policy to the best of my information and belief.

I understand that I shall disclose to the Board, preferably in writing, the material facts as to the personal interest in the transaction and in any corporation, partnership, association, or other organization involved in the transaction prior to the meeting at which the Board acts upon the transaction.

I understand that I shall disclose any interests that could give rise to conflicts of interest, including names of family members, substantial business, or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members.

I understand that I will excuse myself from the meeting while the transaction is discussed and acted upon.

I agree that if I become aware of any information that might indicate that I am no longer in compliance with this policy, I will notify the Executive Director or Chair of the OLC Board of Directors immediately.

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature