CONFLICT OF INTEREST POLICY

Reading Public Library
Reviewed and Approved on 11/16/2025

Article I: Purpose

The purpose of this conflict-of-interest policy is to protect the interest of the Reading Public Library ("RPL") when it is contemplating entering into a transaction or arrangement that might benefit the private financial interest of an RPL officer, the Director of the RPL, any Assistant Director of the RPL, or a Trustee of the RPL. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to the RPL.

Article II Definitions

Interested Person

Any Trustee of the RPL, the Director of the RPL, any Assistant Director of the RPL, any RPL officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. The governing board of the RPL is the Board of Trustees of the RPL.

Financial Interest

- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family
- An ownership or investment interest in any entity with which the RPL has a transaction or arrangement
- A compensation arrangement with the RPL or with any entity or individual with which the RPL has a transaction or arrangement
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the RPL 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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III Procedures

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 be given the opportunity to disclose all material facts to the Trustees of the RPL and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

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 governing 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.

Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the governing 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 possible conflict of interest.
2. The President of the governing board or committee chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the RPL 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the RPL's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflict-of-Interest Policy

1. If the governing board or committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. 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.

Article V Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the RPL for services is precluded from voting on matters pertaining to that member's

compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the RPL for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the RPL, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

The Director of the RPL, each Trustee of the RPL, each RPL officer, each Assistant Director of the RPL and each member of a committee with governing board delegated powers shall annually sign a questionnaire, substantially in the form attached, which affirms such person:

1. Has received a copy of the conflict-of-interest policy
2. Has reviewed it
3. Has agreed to abide by the policy
4. Understands the RPL is a public library and as such it is to engage primarily in activities which accomplish one or more of its purposes as a public library