

Conflict of Interest

Effective Date: 07/01/2017

Responsibility

A conflict of interest, whether actual, potential, or perceived occurs “when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.” (Office of Grants Management, Policy 08-01). Recipients of BWSR grants are responsible for adopting local conflict of interest policies and procedures.

According to the Office of Grants Management Policy 08-01:

ACTUAL CONFLICT OF INTEREST: An actual conflict of interest occurs when a decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict.

POTENTIAL CONFLICT OF INTEREST: A potential conflict of interest may exist if a grant reviewer has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests.

PERCEIVED CONFLICT OF INTEREST: A perceived conflict of interest is any situation in which a reasonable third party would conclude that conflicting duties or loyalties exist.

Grant recipients should incorporate conflict of interest procedures into meetings that are part of a grant-decision process by including an agenda item to identify and disclose actual or perceived conflicts of interest. During this agenda item, the chair of the meeting makes a statement that defines what a conflict of interest is and requests that meeting participants disclose any actual, potential, or perceived conflicts. It is the participant’s obligation to be familiar with the local conflict of interest policy and to disclose any conflicts of interest. A disclosure does not automatically result in a participant being removed from the meeting or process, only that the conflict has been identified.

Recipients of Clean Water, Land, and Legacy Amendment funds may have additional requirements for reporting identified conflict of interest.

Example Policy Language

The following example policy language is from the Minnesota Department of Public Safety, Office of Justice Programs Grant Manual:

“No official or employee of a state or unit of local government or a nongovernmental recipient shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy, or

other particular matter in which award funds (including program income or other funds generated by federally-funded activities) are used, where to his/her knowledge, he/she or his/her immediate families, partners, organization other than a public agency in which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment has a financial interest of less than an arms-length transaction.

In the use of agency project funds, personnel and other officials shall avoid any action which might result in, or create the appearance of:

- Using his or her official position for private gain.
- Giving preferential treatment to any person.
- Losing complete independence or impartiality.
- Making an official decision outside of official channels.
- Affecting adversely the confidence of the public in the integrity of the government or the program.”

History

Description of revisions	Date
Revised format; minor text changes for clarity.	7/1/2017