

## **Conflict of Interest and Financial Disclosures**

### **Authoritative Sources**

18 U.S.C. 208, GATA 30 ILCS 708/35, 708/40 and 708/60, 2 CFR 200, 2 CFR part 180 and 31 U.S.C. 3321, 5 CFR, 5 ILCS 430, and the specific CFR regulations that govern the grant program

**State Agency staff and Grantees for Federal, Federal Pass-through and State grants must disclose any conflicts of interest or apparent conflict of interest which may impair the fairness and impartiality of the grant process. The awarding agency's Chief Accountability Officer (CAO) shall be notified immediately. The CAO shall work with the awarding agency's Ethics Officer to assure any conflicts are mitigated.**

### **Conflict of Interest – Examples**

Examples of situations which may be prohibited or represent a potential conflict of interest may include, but are not limited to:

- (1) Financial interest, including ownership of stocks and bonds, in a firm which submits, or is expected to submit, an application in response to the funding opportunity;
- (2) Outstanding financial commitments to any applicant or potential applicant;
- (3) Employment in any capacity, even if otherwise permissible, by any applicant, applicant officers or potential applicant;
- (4) Employment within the last 12 months by any applicant, applicant officers or potential applicant;
- (5) Any non-vested pension or reemployment rights, or interest in profit sharing or stock bonus plan, arising out of the previous employment by an applicant or potential applicant;
- (6) Employment of any member of the immediate family by any applicant or potential applicant;
- (7) Positions of trust that may include employment, past or present, as an officer, director, trustee, general partner, agent, attorney, consultant, or contractor;
- (8) A close personal relationship that may include a spouse, dependent child or member of the proposal evaluator's household that may compromise or impair the fairness and impartiality of the proposal evaluator or advisor and grants officer during the proposal evaluation and award selection process, and the management of an award; and
- (9) Negotiation of outside employment with any applicant or potential applicant.

(10) Related-party status between grantees and grant-making agencies, i.e. spouse, dependent child, family member, or member of household with a relationship that may compromise or impair the fairness and impartiality of the grantee and grant-making agency in the selection and award process of a grant.

(11) Related-party status of grantee organization senior management and relationship with contracted vendors that may compromise or impair the fairness and impartiality of a grant award.

### **Mandatory Disclosure - Financial assistance**

The non-Federal entity or applicant for a Federal award must disclose in writing, in a timely manner, to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.338 (see also 2 CFR part 180 and 31 U.S.C. 3321).

A non-Federal entity or applicant for a the Department award must disclose, in a timely manner, in writing to the Department awarding agency or pass-through entity, and to the Department's Office of Inspector General, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.