\* \* \* \* \* \* \* \* \*

**THE MODEL CONFLICT OF INTEREST POLICY IS AN EXPLANATORY TEMPLATE THAT SHOULD BE REVIEWED BY LEGAL COUNSEL PRIOR TO ITS USE.**

**THE MODEL CONFLICT OF INTEREST POLICY DOES NOT CONSTITUTE LEGAL ADVICE, NOR IS AN ATTORNEY-CLIENT RELATIONSHIP CREATED BY ITS USE.**

**FOOTNOTES (LABELED “NOTE TO DRAFT”) SHOULD BE REMOVED PRIOR TO ADOPTION.**

**IF YOU HAVE ANY COMMENTS, PLEASE CONTACT CONNOR CREWS AT THE UNC SCHOOL OF GOVERNMENT**

**(**[**CCREWS@SOG.UNC.EDU**](mailto:CCREWS@SOG.UNC.EDU)**; 919-962-1575).**

\* \* \* \* \* \* \* \* \*

**CONFLICT OF INTEREST POLICY**

**APPLICABLE TO CONTRACTS AND SUBAWARDS OF [*UNIT*][[1]](#footnote-1) SUPPORTED BY FEDERAL FINANCIAL ASSISTANCE**

\* \* \* \* \* \* \* \* \*

1. **Scope of Policy**
   1. Purpose of Policy. This Conflict of Interest Policy (“*Policy*”) establishes conflict of interest standards that (1) apply when [\_\_\_\_\_\_\_\_\_\_\_\_](“*Unit*”)[[2]](#footnote-2) enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).[[3]](#footnote-3)
   2. Application of Policy. This Policy shall apply when the Unit (1) enters into a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.[[4]](#footnote-4)
2. **Definitions**

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this Section II: Any capitalized term used in this Policy but not defined in this Section II shall have the meaning set forth in 2 C.F.R. § 200.1.

* 1. “*COI Point of Contact*” means the individual identified in Section III(a) of this Policy.
  2. “*Contract*” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Unit purchases property or services needed to carry out a program or project under a Federal award.
  3. “*Contractor*” means an entity or individual that receives a Contract.
  4. *“Covered Individual*” means a Public Officer, employee, or agent of the Unit.[[5]](#footnote-5)
  5. “*Covered Nonprofit Organization*” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Unit).
  6. “*Direct Benefit*” means, with respect to a Public Officer or employee of the Unit, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
  7. “*Federal Financial Assistance*” means Federal financial assistance that the Unit receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).
  8. “*Governing Board*” means the [\_\_\_\_\_\_\_][[6]](#footnote-6) of the Unit.
  9. “*Immediate Family Member*” means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.[[7]](#footnote-7)
  10. “*Involved in Making or Administering*” means (i) with respect to a Public Official or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Official, being a member of a board, commission, or other body of which the Public Official is a member, taking action on the Contract or Subaward, whether or not the Public Official actually participates in that action.
  11. “*Pass-Through Entity*”means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
  12. “*Public Officer*” means an individual who is elected or appointed to serve or represent the Unit (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Unit.
  13. “*Recipient*” means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
  14. “*Related Party*” means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
  15. *“Subaward*” means an award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
  16. “*Subcontract*” means mean any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
  17. “*Subcontractor*” means an entity that receives a Subcontract.
  18. “*Subrecipient*” means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
  19. “*Unit*” has the meaning specified in Section I hereof.

1. **COI Point of Contact.[[8]](#footnote-8)**
   1. Appointment of COI Point of Contact. [\_\_\_\_\_\_\_\_], an [employee] of the Unit, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that [\_\_\_\_\_\_\_] is unable to serve in such capacity, [\_\_\_\_\_\_] shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the “*COI Point of Contact*”.
   2. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.
2. **Conflict of Interest Standards in Contracts and Subawards**
   1. North Carolina Law. North Carolina law restricts the behavior of Public Officials and employees of the Unit involved in contracting on behalf of the Unit. The Unit shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the prohibitions imposed by the North Carolina General Statutes and restated in this Section III.
      1. G.S. § 14-234(a)(1). A Public Officer or employee of the Unit Involved in Making or Administering a Contract or Subaward on behalf of the Unit shall not derive a Direct Benefit from such a Contract or Subaward.[[9]](#footnote-9)
      2. G.S. § 14-234(a)(3). No Public Officer or employee of the Unit may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Unit.
      3. G.S. § 14-234.3. If a member of the Governing Board of the Unit serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Unit and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.[[10]](#footnote-10)
      4. G.S. § 14-234.1. A Public Officer or employee of the Unit shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public official or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.
   2. Federal Standards.
      1. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(a), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.
         1. Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.
         2. Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(b)(i)(1), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.[[11]](#footnote-11)
      2. Identification and Management of Conflicts of Interest.[[12]](#footnote-12)
         1. Duty to Disclose and Disclosure Forms
            1. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.
            2. Prior to the Unit’s award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.
            3. If the value of a proposed Contract or Subaward exceeds $[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in records of the Unit.[[13]](#footnote-13)
         2. Identification Prior to Award of Contract or Subaward.
            1. Prior to the Unit’s award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Unit.
         3. Management Prior to Award of Contract or Subaward
            1. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such finding in writing to [\_\_\_\_\_\_\_\_\_\_\_][[14]](#footnote-14) and to each member of the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:

accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if Unit is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if Unit is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to Unit; or

reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.[[15]](#footnote-15)

* + - * 1. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Unit may enter into the Contract or Subaward in accordance with the Unit’s purchasing or subaward policy.
      1. Identification After Award of Contract or Subaward.
         1. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Unit has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such finding to the [\_\_\_\_\_\_\_\_\_\_\_][[16]](#footnote-16) and to each member of the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Unit shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.
      2. Management After Award of Contract or Subaward.
         1. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(b)(ii)(4) , the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:

if Unit is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or

if Unit is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to Unit in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

1. **Oversight of Subrecipient’s Conflict of Interest Standards**
   1. Subrecipients of Unit Must Adopt Conflict of Interest Policy. Prior to the Unit’s execution of any Subaward for which the Unit serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.
   2. Obligation to Disclose Subrecipient Conflicts of Interest. The COI Point of Contact shall ensure that the legal agreement under which the Unit makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency’s disclosure policy.
2. **Gift Standards**
   1. Federal Standard. Subject to the exceptions set forth in Section VI(b), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
   2. Exception. Notwithstanding Section VI(a), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of $20 or less per source per occasion, provided that the aggregate market value of all gifts received by the Covered Individual pursuant to this Section VI(b) does not exceed $50 in a calendar year:[[17]](#footnote-17)
      1. honorariums for participating in meetings;
      2. advertising items or souvenirs of nominal value; or
      3. meals furnished at banquets.
   3. Internal Reporting. A Covered Individual shall report any gift accepted under Section VI(b) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Unit is a Subrecipient.
3. **Violations of Policy**
   1. Disciplinary Actions for Covered Individuals. Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee’s termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Official by the Governing Board, or termination of an agent’s contract with the Unit.
   2. Disciplinary Actions for Contractors and Subcontractors. The Unit shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.
   3. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Unit shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Unit, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

\* \* \* \* \* \* \* \* \*

Adopted this the [\_\_\_] day of [\_\_\_\_\_], [\_\_\_\_\_\_].[[18]](#footnote-18)

**EXHIBIT A**

Examples

|  |  |
| --- | --- |
| ***Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward*** | ***Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward*** |
| Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include:   * Stock in a corporation. * Membership interest in a limited liability company. * Partnership interest in a general or limited partnership. * Any right to control the firm or organization’s affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract. * Option to purchase any equity interest in a firm or organization. | Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract.  A position as a director or officer of the firm or organization, even if uncompensated. |
| Holder of any debt owed by a firm considered for a Contract or Subaward, which may include:   * Secured debt (e.g., debt backed by an asset of the firm (like a firm’s building or equipment)) * Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan).   + Holder of a judgment against the firm. | A referral of business from a firm considered for a Contract or Subaward. |
| Supplier or contractor to a firm or organization considered for a Contract or Subaward. | Political or social influence (e.g., a promise of appointment to an local office or position on a public board or private board). |

**EXHIBIT B**

**COMPLIANCE CHECKLIST FOR OVERSIGHT OF CONTRACT CONFLICTS OF INTEREST**

The [*\_\_\_\_\_\_\_\_\_\_\_\_*] (“*Unit*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_\_] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in Section II) and file the Checklist in the records of the Unit.

*Instructions for Completion*

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Contract exceeds $[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [\_\_\_\_\_\_\_\_] and to each member of the Governing Board.

*Definitions*.

1. *Covered Individual*.Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Step |  | |  | | | |
| 1 | Identify the proposed Contract, counterparty, and the subject of the Contract. | | Name of Contract:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name of Counterparty  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Subject of Contract:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |
| 2 | Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy. | | | | | |
|  | ***Public Officials*** | | ***Employees*** | | ***Agents*** | |
|  | |  | |  | |
| 3 | Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. [If the estimated Contract amount exceeds $[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.] | | | | | |
| Any identified interest in Step 3 is a potential “real” conflict of interest. | ***Public Officials*** | ***Employees*** | | ***Agents*** | | |
|  |  | |  | | |
| 4 | Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds $[250,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact. | | | | | |
| Any identified interest in Step 4 is a potential “real” conflict of interest. | ***Public Officials – Related Party*** | | ***Employees – Related Party*** | | | ***Agents – Related Party*** |
|  | |  | | |  |
| 5 | Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the *appearance* that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain. | | | | | |
| Any identified interest in Step 5 is a potential “apparent” conflict of interest. | ***Public Officials*** | | ***Employees*** | | | ***Agents*** |
|  | |  | | |  |

COI Point of Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of COI Point of Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Completion: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT C**

**CONTRACT CONFLICT OF INTEREST DISCLOSURE FORM**

**FOR OFFICIALS, EMPLOYEES, AND AGENTS**

The [*\_\_\_\_\_\_\_\_\_\_\_\_*] (“*Unit*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_\_] as the “COI Point of Contact.”

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following contract: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “*Contract*”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using the Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Will you receive any tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.
   1. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

1. Do you have any other partner with a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Benefits to Employers
   1. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* \* \* \* \* \* \* \* \*

Sign Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Name of Employer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Job Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Completion: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* \* \* \* \* \* \* \* \*

**EXHIBIT D**

**COMPLIANCE CHECKLIST FOR SUBAWARD OVERSIGHT**

The [*\_\_\_\_\_\_\_\_\_\_\_\_*] (“*Unit*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_\_] as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as defined in Section II) and file the Checklist in the records of the Unit.

*Instructions for Completion*

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Subaward exceeds $[250,000], the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to [\_\_\_\_\_\_\_\_] and to each member of the Governing Board.

*Definitions*.

1. *Covered Individual*.Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Unit) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Step |  | |  | | | |
| 1 | Identify the proposed Subaward, Subrecipient, and the subject of the Subaward. | | Name of Contract:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name of Counterparty  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Subject of Subaward:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | |
| 2 | Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy. | | | | | |
|  | ***Public Officials*** | | ***Employees*** | | ***Agents*** | |
|  | |  | |  | |
| 3 | Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds $[100,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.] | | | | | |
| Any identified interest in Step 3 is a potential “real” conflict of interest. | ***Public Officials*** | ***Employees*** | | ***Agents*** | | |
|  |  | |  | | |
| 4 | Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds $[100,000], ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact.] | | | | | |
| Any identified interest in Step 4 is a potential “real” conflict of interest. | ***Public Officials – Related Party*** | | ***Employees – Related Party*** | | | ***Agents – Related Party*** |
|  | |  | | |  |
| 5 | Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the *appearance* that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain. | | | | | |
| Any identified interest in Step 5 is a potential “apparent” conflict of interest. | ***Public Officials*** | | ***Employees*** | | | ***Agents*** |
|  | |  | | |  |

COI Point of Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of COI Point of Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Completion: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT E**

**SUBAWARD CONFLICT OF INTEREST DISCLOSURE FORM**

**FOR OFFICIALS, EMPLOYEES, AND AGENTS**

The [*\_\_\_\_\_\_\_\_\_\_\_\_*] (“*Unit*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Unit’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates [\_\_\_\_\_\_] as the COI Point of Contact.

The COI Point of Contact has identified you as an official, employee, or agent of the Unit that may be involved in the selection, award, or administration of the following subaward: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “*Subaward*”). To safeguard the Unit’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using the Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Will you receive any tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.
   1. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

1. Do you have any other partner with a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does your current or potential employer (other than the Unit) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Benefits to Employers
   1. Does a current or potential employer (other than the Unit) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Will a current or potential employer (other than the Unit) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Does a current or potential employer (other than the Unit) of any partner of yours have a financial or other interest in a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Will a current or potential employer (other than the Unit) of any partner of yours receive a tangible personal benefit from this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that your current or potential employer (other than the Unit) has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Does any existing situation or relationship create the *appearance* that any current or potential employer (other than the Unit) of any other partner has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes \_\_\_\_\_\_ No \_\_\_\_\_\_\_ Unsure: \_\_\_\_\_\_\_

If the answer is Yes or Unsure, please explain:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* \* \* \* \* \* \* \* \*

Sign Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

Name of Employer \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Job Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date of Completion: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* \* \* \* \* \* \* \* \*

1. **Note to Draft**: Insert name of unit of local government (e.g., “Town of Coatesville”). [↑](#footnote-ref-1)
2. **Note to Draft**: Insert name of unit of local government (e.g., “Town of Coatesville”). [↑](#footnote-ref-2)
3. **Note to Draft**: The Uniform Guidance requires recipients and subrecipients of Federal financial assistance to “maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of *contracts*.” [2 C.F.R. § 200.318(c)(1)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.318) (emphasis added). It further prohibits any “employee, officer, or agent” of a recipient or subrecipient from participating in the “selection, award, or administration of a *contract* supported by a Federal award if he or she has a real or apparent conflict of interest.” *Id.* (emphasis added) (As used in 2 C.F.R. § 200.318(c)(1), the term “contract” has a technical definition. *See* 2 C.F.R. § 200.1 (“Contract means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services need to carry out the project or program under a Federal award. . . . See also the definition of *subaward* in this section.”)). While the restriction applies to “contracts” into which recipients and subrecipients enter, it does not expressly apply to the selection, award, or administration of *subawards*—and no other provision in the Uniform Guidance directly addresses prohibited conflicts of interest in making or administering a subaward. For example, the Uniform Guidance does not directly address whether a recipient unit of local government could make a subaward to a nonprofit organization when a member of the unit’s governing board serves as a director, officer, or employee of a proposed subrecipient.

   [2 C.F.R. § 200.112](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-B/section-200.112) separately requires each Federal awarding agency to “establish conflict of interest policies for Federal awards”—and in such policies, some federal agencies haveextended the conflict of interest standards in 2 C.F.R. § 200.318(c)(1) to the selection, award, and administration of subawards. *See, e.g.*, [Environmental Protection Agency, Financial Assistance Conflict of Interest Policy, Amended Grants Policy Issuance (GPI) 15-02](https://www.epa.gov/sites/default/files/2020-11/documents/epa-financial-assistance-coi-policy-gpi-15-02.pdf), § 4.0(d) (hereinafter “EPA COI Policy”); (requiring recipients to disclose “[conflicts of interest] *similar* to those described at 2 CFR 200.318(c)(1) including consulting fees or other compensation paid to employees, officers, agents of a pass-through entity or members of their Immediate Family by subrecipients or their procurement contractors receiving EPA funding under a subaward”) (emphasis added). In responding to “frequently asked questions” on the Uniform Guidance, the [Chief Financial Officers’ Council](https://www.cfo.gov/about-the-council/) (“CFO Council”) has indicated its view that the “policies” to which 2 C.F.R. § 200.112 refers might cover “how a non-Federal entity expends funds under a Federal award” and that “[t]hese types of decisions include . . . *selection of a subrecipient* or procurements as described in section 200.318.” (emphasis added). *See* [2014](https://www.cfo.gov/wp-content/uploads/2014/11/2014-11-26-Frequently-Asked-Questions.pdf), [2017](https://www.dol.gov/sites/dolgov/files/OASAM/legacy/files/July2017-UniformGuidanceFrequentlyAskedQuestions.pdf), and [2021](https://www.cfo.gov/assets/files/2CFR-FrequentlyAskedQuestions_2021050321.pdf). While the CFO Council’s interpretations are not binding upon any federal agency, federal agencies and others often cite them when addressing ambiguities in the Uniform Guidance. In 2016, the Council on Governmental Relations (“COGR”), an association of research universities, expressed its concern to OMB that the “open-ended structure of § 200.112[] gives [federal] agencies the opportunity to develop conflict of interest policies outside of the procurement requirement [of 2 C.F.R. § 200.318(c)(1)]”, and noted that pursuant to § 200.112, federal agencies had adopted a wide range of conflict-of-interest policies with conflicting definitions and requirements. *See* [Letter from Council on Governmental Relations to Office of Management and Budget (July 8, 2016)](https://www.cogr.edu/sites/default/files/Conflict%20of%20Interest%20Uniform%20Guidance.pdf). COGR also requested that the CFO Council clarify its Uniform Guidance FAQs to eliminate a reference to selection of “subrecipients” in addressing the intended scope of a conflict-of-interest policy that a federal agency adopts pursuant to 2 C.F.R. § 200.112. *See id.* OMB has not addressed any of COGR’s concerns.

   The U.S. Department of the Treasury has not comprehensively addressed how a recipient unit of local government should address potential conflicts of interest when making subawards of Fiscal Recovery Funds. The Final Rule provides that “[r]ecipients may avoid conflicts of interest in . . . making subrecipient awards by, *inter alia*, . . . utilizing a competitive grant process, . . . [and that a] recipient may not use control over [Fiscal Recovery Funds] for their own private gain.” Final Rule at 159. This may signal an openness to accept subawards to nonprofit organizations for which a governing board member of a recipient unit of local government serves as a direct or officer, so long as (1) the unit conducts a competitive solicitation process to select the subrecipient; and (2) for governing board officials, the unit follows the process contained in G.S. § 14-234.3(a). It also may indicate that Treasury *has* extended the prohibitions in 2 C.F.R. § 200.318(c)(1) to subawards—otherwise, the competitive selection process set forth for subawards in the Final Rule would not be necessary.

   In the absence of specific regulatory guidance from the Treasury, a unit of local government should exercise caution when making subawards of Fiscal Recovery Funds to third parties when the impartiality of an employee, official, or agent of the Unit could be questioned in connection with a proposed subaward. To that end, this Policy implements rules that may be more restrictive than what Treasury ultimately requires of a recipient of Fiscal Recovery Funds. [↑](#footnote-ref-3)
4. **Note to Draft**: Applications of 2 C.F.R. § 200.318(c)(1) and (c)(2), or corresponding provisions in separate federal regulations, may differ across federal grantmaking agencies. Section I(b) provides flexibility for a unit to apply a more restrictive rule than those set forth in this Policy in the event that a particular federal statute, regulation, or the term or condition of an assistance agreement so requires. [↑](#footnote-ref-4)
5. **Note to Draft**: As noted above, 2 C.F.R. § 200.318(c)(1) prohibits any “employee, officer, or agent” of a recipient or subrecipient from participating in the “selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.” 2 C.F.R. Part 200 does not define the term “agent”. The plain meaning of the term suggests that it likely would encompass individuals that are directly under contract with a unit and that act on behalf of or provide advice to a unit—but the term also might encompass individuals who have an ownership interest in a legal entity under contract with a unit. In practice, a unit may wish to extend this prohibition to the beneficial owners of a legal entity under contract with a unit. For example, if a unit contracts with a closely held engineering firm owned by three individuals, the unit may wish to exclude a general contracting firm from consideration for a construction contract supported by Federal financial assistance where the contracting firm is owned in part by one of those three individuals or such individual’s partners, immediate family members, or the engineering firm. [↑](#footnote-ref-5)
6. **Note to Draft**: Insert name of governing board of Unit (e.g., “City Council” or “Board of County Commissioners”). [↑](#footnote-ref-6)
7. **Note to Draft**: 2 C.F.R. § 200.318(c)(1) states that a prohibited conflict of interest “would arise when the employee, officer, or agent, *any member of his or her immediate family*, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.” (emphasis added). s [↑](#footnote-ref-7)
8. **Note to Draft:** Neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds requires a unit to name a COI Point of Contact. Model conflict of interest policies released by a number of federal agencies suggest that naming a specific individual to manage and disclose potential or actual conflicts of interest may be a helpful practice. *See, e.g.*, [EPA](https://www.epa.gov/sites/default/files/2020-11/documents/epa-financial-assistance-coi-policy-gpi-15-02.pdf) COI Policy; [Health Resources & Services Administration, Conflict of Interest (COI) Policy (September 2020)](https://www.hrsa.gov/grants/standard-terms/conflict-interest-policy). A unit may wish to forgo this approach in favor of identification of a COI Point of Contact on a grant-by-grant basis or omit this approach entirely. [↑](#footnote-ref-8)
9. **Note to Draft:** North Carolina law exempts certain contracts from this prohibition, including: (1) “any contract between a public agency and a bank, banking institution, savings and loan association, or public utility” (G.S. § 14-234(b)(1)); (2) “any interest in property conveyed by an officer or employee of a public agency under a judgment . . . in a condemnation proceeding initiated by a public agency” (G.S. § 14-234(b)(2)); (3) an “employment relationship between a public agency and the spouse of a public officer of the agency) (G.S. § 14-234(b)(3)); (4) an “employment relationship between local board of education and spouse of superintendent of local school administrative unit” (G.S. § 14-234(b)(3a)); (5) remuneration for certain direct public assistance rendered to needy persons administered in whole or part by a public agency (G.S. § 14-234(b)(4)); (6) contracts between public agencies and elected officials in certain “small” jurisdictions if (a) the jurisdiction is a (i) county-level governmental entity without any municipality whose population exceeds 20,000, or (ii) a city-level governmental entity whose population does not exceed 20,000, (b) in a 12 month period, the contract does not exceed $40,000 for medically related services or $60,000 for other goods or services, (c) the contract is not subject to the competitive bidding requirements of Article 8 of Chapter 143 of the General Statutes, and (d) the unit follows certain procedural requirements aimed at disclosing the transaction to the public (G.S. § 14-234(d1)); (7) miscellaneous contracts relating to the Agriculture Cost Share Program for Nonprofit Source Pollution Control, the Community Conservation Assistance Program, or the Agricultural Water Resources Assistance Program (G.S. §14-234(d3)); (8) certain applications or receipt of grants or financial assistance from the Tobacco Trust Fund by a member of the Tobacco Trust Fund Commission (G.S. § 14-234(d4)); and (9) contracts entered into by a public hospital subject to G.S. § 131E-14.2 or a public hospital authority subject to G.S. § 131E-21.

   If a public official or employee involved in making or administering a contract has an ownership interest of less than 10% in an entity, but does not otherwise “derive[] income or commission directly from the contract”, that arrangement does not violate state law. *See* G.S. § 14-234(a)(1); G.S. § 14-234(b)(4) (defining “direct benefit”). But with the exception of certain contracts falling under the “small jurisdiction” exception to G.S. § 14-234(a)(1) identified in (6) in the first paragraph of this Footnote (and found in G.S. § 14-234(d1)), North Carolina law does not exempt any contracts from the prohibition in G.S. § 14-234(a)(1) solely because a public official or employee involved in making or administering a contract has an insubstantial or *de minimis* financial interest in an entity under contract with the unit.

   2 C.F.R. § 200.318(c)(1) permits recipients and subrecipients to set standards for situations in which an individual covered by the regulation has a financial interest in a firm considered for a contract that is “not substantial” and, presumably, therefore not prohibited even if the Covered Individual participates in the selection, award, or administration of a contract. But the Uniform Guidance does not define when a financial interest is “not substantial”—and no other guidance from the Office of Management and Budget (“OMB”) or the Department of the Treasury has directly addressed this question. Unlike Treasury, other federal agencies have robust conflict-of-interest regulations that distinguish between “significant” and “insignificant” financial interests. *See, e.g.*, [42 C.F.R. Part 50, Subpart F – Promoting Objectivity in Research](https://www.ecfr.gov/current/title-42/chapter-I/subchapter-D/part-50/subpart-F) (setting forth conflict-of-interest standards for research funded by U.S. Public Health Service grants or cooperative agreements); [42 C.F.R. § 50.603](https://www.ecfr.gov/current/title-42/chapter-I/subchapter-D/part-50/subpart-F/section-50.603) (defining “significant financial interest” to include, among other things, any remuneration in the preceding twelve months or holding equity interest valued at $5,000 or more), *id.* (defining “financial conflict of interest” to mean “a significant financial interest that could directly and significantly affect the design, conduct, or reporting of PHS-funded research); [42 C.F.R. § 50.605](https://www.ecfr.gov/current/title-42/chapter-I/subchapter-D/part-50/subpart-F/section-50.605) (setting forth mechanisms to manage and report identified financial conflicts of interest). Other federal agencies have interpreted the term “financial interest” broadly. *See* [Federal Emergency Management Agency, Procurement Disaster Assistance Team (PDAT) Field Manual: Procurement Information for FEMA Award Recipients and Subrecipients § 1.4.2 (Oct. 2021)](https://www.fema.gov/sites/default/files/documents/fema_PDAT-field-manual_102021.pdf) (“[A] financial interest can be considered to be the potential for gain or loss [by an individual covered by 2 C.F.R. § 200.318(c)(1)]. . . as a result of the particular procurement.”). Further, FEMA seems to interpret the reference to a financial interest that is “not substantial” as limited to the receipt or solicitation of gratuities. *See id.* § 1.3.1 (“A non-state entity may set standards for accepting gratuities in situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value.”). Adopting any threshold for insubstantial financial interest from another federal agency without guidance from Treasury carries a risk that Treasury will not accept such an interpretation for Fiscal Recovery Funds.

   If, within its conflict-of-interest policy, a unit chooses to deem a financial interest as “not substantial”, it may consider consulting the regulatory framework that applies to a federal employee’s participation in matters in which the employee may have a financial conflict of interest. **If a unit chooses to make any exceptions, it should consult legal counsel for assistance in drafting these provisions.**

   18 U.S.C. § 208(a) prohibits a federal officer or employee from participat[ing] personally and substantially as a[n] . . . officer or employee . . . [in any matter] in which, to his knowledge, he, his spouse, minor child, general partner, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment has a financial interest.” But this prohibition does not apply if, among other things, the Office of Government Ethics (“OGE”) by regulation exempts a financial interest as “too remote or too inconsequential” to affect the integrity of services that a covered federal officer or employee provides. *See* [18 U.S.C. § 208(b)(2)](https://www.govinfo.gov/content/pkg/USCODE-2020-title18/pdf/USCODE-2020-title18-partI-chap11-sec208.pdf)

   OGE has promulgated detailed regulations that consider certain financial interests held by individuals and entities falling within the scope of 18 U.S.C. § 208(a) as “too remote or inconsequential” to affect the services of a covered federal officer or employee. *See* [2 C.F.R. Part 2640, Subpart B – Exemptions Pursuant to 18 U.S.C. 208(b)(2)](https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2640/subpart-B). For example, the regulations make clear that a federal employee could participate in a matter affecting the holdings of a diversified employee benefit plan (e.g., a 401(k) or 403(b) plan) as long as (1) the employee does not designate specific investments (e.g., a particular stock) within the plan, and (2) the plan is not a profit-sharing or stock bonus plan. [2 C.F.R. § 2640.201(c)(1)(iii)](https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2640/subpart-B#p-2640.201(c)(1)). The regulations also permit a federal employee to participate in a particular matter that affects the holdings of a publicly traded firm held by the employee or another covered individual under 18 U.S.C. § 208(a), as long as (1) the securities are publicly traded, and (2) the aggregate market value of the holdings does not exceed $15,000. *See* 2 C.F.R. § 2640.202(a). As an example, a federal employee whose duties include monitoring the performance of XYZ Corporation of a contract to provide computer maintenance services for the federal government can hold up to $15,000 in publicly traded securities issued by XYZ without violating 18 U.S.C. § 208(a)—however, if the value of the stock exceeds $15,000 at any time, the employee must either disqualify himself from matters involving XYZ Corporation or divest himself from the excess holdings. *See id.*

   Treasury has not indicated in its regulations or guidance applicable to expenditures of Fiscal Recovery Funds that a recipient could *not* make exceptions for a financial interest that is “not substantial”, but in the absence of guidance, this approach engenders risk.

   As a separate matter, neither OMB nor Treasury has addressed whether a governing board member’s recusal from action on or administration of a contract with an entity in which the member has a financial interest (even if the interest is “not substantial”) cures a prohibited “apparent” conflict of interest under 2 C.F.R. § 200.318(c)(1). Some federal agencies allow recipients to disclose potential conflicts of interest to the agency, propose mitigation measures, and receive an agency determination on the effectiveness of those measures. *See, e.g.*, EPA COI Policy, § 9.0(b) (“[T]he agency will review COI disclosures and measures . . . recipients propose to resolve the COI and advise applicants/recipients of EPA’s determination on the effectiveness of the measures within 30 calendar days of disclosure unless a longer period of time is necessary due to the complexity of the situation.”). Treasury has not provided any similar disclosure and approval mechanism for Fiscal Recovery Funds.

   **When entering into contracts funded by Fiscal Recovery Funds, a unit of local government should avoid relying upon the “small jurisdiction” exception to G.S. § 14-234(a)(1) or entering into contracts or subawards with entities in which a public official has any financial interest (even an ownership interest of less than 10%). A unit taking either action assumes risks arising from the lack of Treasury or OMB guidance explaining when a financial interest is “not substantial” and whether an “apparent” conflict of interest arises even if a board member has an insubstantial financial interest and recuses himself from involvement in the award or administration of the contract.** [↑](#footnote-ref-9)
10. **Note to Draft**: As of January 1, 2022, G.S. § 14-234.3 imposes this prohibition. *See* [S.L. 2021-191](https://www.ncleg.gov/Sessions/2021/Bills/Senate/PDF/S473v5.pdf), § 4.(a); *see also* [Kristina Wilson, S.B. 473: Frequently Asked Questions (Dec. 21, 2021)](https://canons.sog.unc.edu/2021/12/s-b-473-frequently-asked-questions/). The new law does not prohibit a unit of local government from entering into a contract with a nonprofit organization for which an elected official serves as a director, officer, or governing board member. Instead, the statute allows a unit to enter into such a contract as long as the elected official (1) abides by the restrictions contained in this paragraph (which are taken from G.S. § 14-234.3(a) and G.S. § 14-234.3(d)(2)), and (2) records a recusal with the clerk to the unit’s board. It is likely that the term “contract”, as used in G.S. § 14-234.3, would encompass “contracts” and “subawards” (as each such term is defined in 2 C.F.R.§ 200.1) into which a unit enters.

    As noted in Footnote [3] above, 2 C.F.R. § 200.318(c)(1) does not expressly extend to the selection, award, or administration of subawards. At least one federal agency (EPA) has extended these requirements to any conflict of interest in the award, administration, or monitoring of subawards that are “similar to those described in [§ 200.318(c)(1)] including consulting fees or compensation paid to employees, officers, agents of a pass-through entity or members of their [immediate families] by subrecipients or their procurement contractors receiving EPA funding under a subaward.” EPA COI Policy, § 4.0(d). This provision might permit a recipient of EPA financial assistance to enter into a subaward with a nonprofit organization for which the recipient board member served as a director—as long as the director did not receive any compensation from the subrecipient nonprofit organization or its contractors. It is not clear whether Treasury would endorse this opinion. As noted in Footnote [X] above, the Final Rule suggests that recipients could “avoid conflicts of interest in . . . making subrecipient awards by, *inter alia*, . . . utilizing a competitive grant process[.]” This statement may signal an openness to accept a recipient’s subaward to a nonprofit organization for which a unit’s officer or employee serves as a director or officer, so long as (1) the unit conducts a competitive solicitation process to select the subrecipient; and (2) for governing board officials, the unit follows the process contained in G.S. § 14-234.3(a). It also may indicate that Treasury *has* extended the prohibitions in 2 C.F.R. § 200.318(c)(1) to subawards—otherwise, the competitive selection process set forth for subawards in the Final Rule would not be necessary. Given that Treasury has not issued any interpretation of 2 C.F.R. § 200.318(c)(1) that provides a clear process for reviewing potential conflicts of interest and approving mitigation measures, units might wish to avoid entering into subawards with subrecipient organizations for which a governing board member serves as a director or officer. [↑](#footnote-ref-10)
11. **Note to Draft:** This Policy borrows this definition from the Federal Emergency Management Agency’s Procurement Disaster Assistance Team Field Manual. *See* [Federal Emergency Management Agency, Procurement Disaster Assistance Team (PDAT) Field Manual: Procurement Information for FEMA Award Recipients and Subrecipients § 1.4.3 (Oct. 2021)](https://www.fema.gov/sites/default/files/documents/fema_PDAT-field-manual_102021.pdf) (explaining that 2 C.F.R. § 200.318(c)(1) would prohibit a municipality from purchasing from a company owned by the college roommate of the municipality’s purchasing officer even where the company offered the best rates and most competitive delivery schedule). In another context, Treasury has not released any guidance for Fiscal Recovery Funds that indicates what might constitute an “apparent” conflict of interest. Therefore, a unit may wish to interpret this prohibition broadly as FEMA has. [↑](#footnote-ref-11)
12. **Note to Draft** Neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds requires a unit to undertake the identification and mitigation procedures set forth in this Section. This Section creates a conflict of interest disclosure and management system that ensures governing board review in some circumstances. The purpose of review by the governing board and a management official is to serve as an internal control mechanism. [↑](#footnote-ref-12)
13. **Note to Draft:** Neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds requires a unit to obtain conflict of interest disclosures from Covered Individuals. This is intended to serve as an internal control mechanism to prevent a unit from inadvertently entering into prohibited transactions and a unit might chose not to adopt it. [↑](#footnote-ref-13)
14. **Note to Draft:** A unit may wish to disclose a potential conflict of interest to the highest administrative official or employee of the unit (e.g., a county manager). Again, neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds specifically requires this disclosure. The purpose of the disclosure and management system is to serve as an internal control mechanism. [↑](#footnote-ref-14)
15. **Note to Draft**: This section contemplates a scenario in which the governing board of a unit may disagree with the findings of the COI Point of Contact. It leaves open the possibility that a governing board, as the entity with ultimate responsibility for the contracts or subawards into which a unit enters, could document the reasons that it disagrees with the findings of the COI Point of Contact and enter into the contract or subaward. [↑](#footnote-ref-15)
16. **Note to Draft**: A unit may wish to disclose a potential conflict of interest to the highest administrative official or employee of the unit (e.g., a county manager). Again, neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds specifically requires this disclosure. The purpose of the disclosure and management system is to serve as an internal control mechanism to avoid prohibited transactions. [↑](#footnote-ref-16)
17. **Note to Draft**: 2 C.F.R. § 2635.204 contains exceptions on prohibition for acceptance of certain gifts for federal executive branch employees. The exceptions listed here are consistent with those applicable to federal executive branch employees and [G.S. § 133-32(d)](https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_133/GS_133-32.html). [↑](#footnote-ref-17)
18. **Note to Draft:** A Unit may wish to attach to the Policy a copy of a resolution reflecting its adoption, along with other relevant information (e.g., resolution control number and vote tally). [↑](#footnote-ref-18)