



**DEPARTMENT OF  
ADMINISTRATION**  
GRANTS MANAGEMENT

## **Policy 08-01: Conflict of Interest in Grantmaking**

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# Background

Executive branch agencies, boards, councils, and task forces may have additional and unique statutes, rules, and policies related to conflict of interest.

## **Statutory provisions for conflict of interest apply to:**

- Process of grant award and administration
- Roles of individuals involved in grant award and administration
- Both state employees and others

## **Relevant statutes:**

[10A.07](#), [15.054](#), [15.43](#), [16B.98 Subd 2-3](#), [16C.04](#), [43A.38](#), [471.87](#)

# Policy 08-01 Overview

**Requires** Minnesota state agencies, executive branch boards, committees, authorities, task forces, and councils to deliberately avoid conflicts of interest at both the individual and organizational levels.

**Highlights** transparency as a guiding principle.

**Identifies** the scope and minimum requirements of grant process type.

**Provides** definitions and procedure steps.

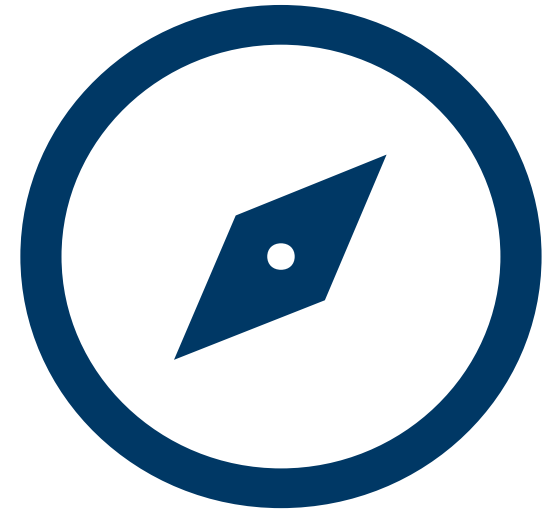


\*The Conflict of Interest Policy for State Grant-Making Policy 08-01 incorporates the requirements of [HR/LR Policy #1445 Code of Ethical Conduct](#).

# Guiding Principles

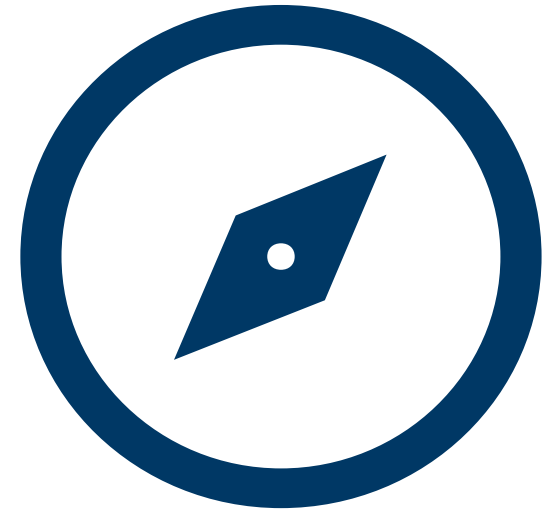
**1. Minnesota state agencies, executive branch boards, committees, authorities, task forces, and councils must work to:**

- Deliberately avoid conflicts of interest related to grant-making and grant administration at both the individual and organizational levels.
- Proactively communicate and take steps to address, resolve, and document conflicts of interest as they arise.



# Guiding Principles (con't)

2. **When a conflict of interest concerning state grant-making exists, transparency shall be the guiding principle in addressing it:**
  - Executive branch agencies can consult with their agency's ethics officer as an appropriate resource when needed.
3. **Be aware, be thoughtful, embrace transparency.**



# What is a Conflict of Interest?

Actual or potential duty or loyalty to more than one **organization** and the competing duties or loyalties may result in adverse actions to one or both parties.

*Conflict of Interest can exist even if no unethical, improper, or illegal act results from it.*

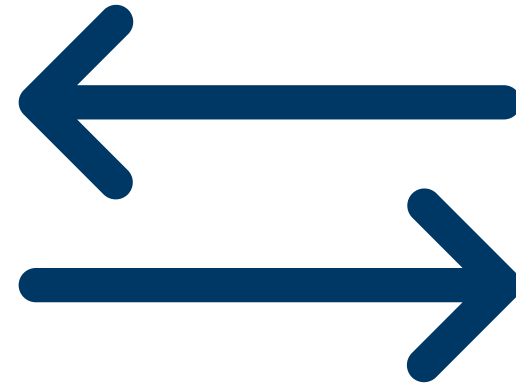
**Actual:** when a person's decision or action would compromise a duty to a party without taking immediate action to eliminate the conflict.

**Potential:** if a person has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to decide or recommendation that would affect one or more of the relationships, affiliations, or interests

# Individual Conflict of Interest

**Individual conflict of interest** can occur if a state employee or reviewer:

- Uses status to obtain special advantage with grantee or applicant;
- Receives or accepts value from grantee or applicant;
- Is an employee or board member of a grantee or applicant; or is an immediate family member of an owner, employee, or board member.



# What Processes Are Covered?

## 1. Competitive Grant-making

- Developing grant Requests for Proposals (RFPs)
- Reviewing and evaluating proposal responses

## 2. Grant Administration

- Awarding a grant
- Drafting, entering, amending, or revising grant agreements
- Conducting grant monitoring
- Evaluating grant performance
- Authorizing payments



# Minimum Requirements



Appointed members serving on an executive branch board, committee, authority, task force, or council involved in RFP development for competitive grant processes must follow their established policy, procedure, or by-laws for code of conduct, code of ethics, financial disclosures, or grant conflict of interest, and OGM Policy 08-01.



All grant reviewers must complete and sign a conflict of interest disclosure form for every competitive grant review they participate in.



Grant-making entity must maintain documentation.

For financial disclosures for public officials per [Chapter 10A](#), the grant-making entity must document they've reviewed the disclosures.

# Resources

[Office of Grants Management Policies,  
Statutes and Forms](#)

[Office of Grants Management Training and  
Development](#)

[Office of Grants Management](#)



# What are you wondering?





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**Thank you!**