



## Illinois Department of Commerce & Economic Opportunity

### Conflict of Interest Policy Guidance

#### Summary

As a grantee of the State of Illinois, conflicts of interests must be considered when implementing your grant program. As part of the grant application, all grantees must submit a Conflict of Interest Disclosure. In this disclosure, it states that “Grantee shall also establish safeguards, evidenced by policies, rules and/or bylaws, to prohibit employees or officers of Grantee from engaging in actions, which create or which appear to create a conflict of interest as described herein.”

It is suggested that your organization create a Conflict of Interest Policy and this document describes information that should be in the policy.

#### Policy Tenets

The Grantee’s Conflict of Interest policy should include the following tenets, which is summarized from the grant agreement:

1. The policy will provide a definition of Conflict of Interest.

From 44 Ill. Admin. Code Part 7000.30 - “Conflict of Interest” means a situation that arises when a person in a position of authority over an organization, such as an officer, director, or manager, may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

2. The policy will identify the classes of individuals within the organization are covered by the policy.

From 44 Ill. Admin. Code Part 7000.30 – “Conflict of Interest Policy” means a policy that defines conflict of interest, **identifies the classes of individuals within an organization covered by the policy**, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.

3. The policy describes how the organization will immediately disclose in writing any potential or actual Conflict of Interest to the Grantor.

From the Uniform Grant Agreement - **Required Disclosures**. Grantee must immediately disclose in writing any potential or actual conflict of interest to the Grantor. 2 CFR 200.113 and 30 ILCS 708/35.

4. The policy describes how the organization will avoid prohibited payments.

From the Uniform Grant Agreement - **Prohibited Payments**. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly,

any person: 1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or 2) employed by an office or agency of the State of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or \$106,447.20 (30 ILCS 500/50-13).

5. The policy will describe how to request exemptions for point Prohibited Payments.

From the Uniform Grant Agreement - **Request for Exemption.** Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

6. The policy will describe how it will avoid violations of bonus or commission payments.

From the Uniform Grant Agreement - **Bonus or Commission Prohibited.** The Grantee shall not pay any bonus or commission for the purpose of obtaining the Grant Funds awarded under this Agreement.

7. The policy will describe how it will avoid the hiring of state employees for grant purposes.

From the Uniform Grant Agreement - **Hiring State Employees Prohibited.** No state officer or employee may be hired to perform services under this Agreement or be paid with Grant Funds derived directly or indirectly through this Award without the written approval of the Grantor.

8. The policy will describe the procedure to manage the reporting of potential conflicts and management of actual or potential conflicts.

From 44 Ill. Admin. Code Part 7000.30 – “Conflict of Interest Policy” means a policy that defines conflict of interest, identifies the classes of individuals within an organization covered by the policy, **facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest.**