Conflict of Interest Guidance

OFFICE OF FEDERAL PROGRAMS

"The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy." *2 CFR 200.112*

The purpose of monitoring in the Office of Federal Programs is to support local education agencies (public school districts and charter schools) with the implementation of federal programs while navigating the requirements of each program within the Elementary and Secondary Education Act (ESEA as amended by ESSA). The intent is not to look for mistakes but to learn what schools are doing with their federal funds, assure that they are meeting the requirements within each fund, and if this is not the case, assist schools with implementing changes that will help them meet the requirements while also strengthening their programs. This process is completed to help protect schools and the state of Ohio from any consequences that may occur as a result of state or federal audits.[1]

The Office of Federal Programs selects approximately 8 percent of schools in the current school year for additional monitoring through a desk review. As part of this process, if selected your district or school will upload specific requested documentation into the monitoring system, *including evidence that your district or school has implemented policies to avoid conflicts of interest*.[2] A conflict of interest occurs when a district or school employee or volunteer has a personal or business interest that conflicts with their professional obligations or responsibilities to the district or school.

You are encouraged to work with your district or school legal counsel to assure that your district or school has adopted and is complying with a robust conflict of interest policy and screening process consistent with federal law[3] and the Ohio Ethics Law[4].

Although the Office of Federal Programs cannot provide legal advice to your district or school, as part of the monitoring process, **an example** of the type of document that would demonstrate compliance would be an annual statement signed by your district superintendent and board of education members (or, for charter schools, all decision-makers such as sponsors, management agency principals, governing board members, officers and administrators) attesting that they will:

- Follow the district or school's conflict of interest policy, federal law and the Ohio Ethics Law;
- Take no actions in their current position that involves any entity in which they are involved with or persons that are imputed to them in which they have a financial interest;

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[1] For an overview of the monitoring process, see *Compliance Consolidated ESEA Grant Self-Survey User Manual* at https://ccip.ode.state.oh.us/DocumentLibrary/ViewDocument.aspx?DocumentKey=88450.

[2] See 2 CFR 200.112, "The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy."

[3] See https://bja.ojp.gov/program/project-safe-neighborhoods-psn/summary-standards-conduct-and-conflict-interest-rules.

[4] See https://ethics.ohio.gov/education/factsheets/ethicslaw.pdf.

- Take no action if such action will benefit any member of their household, any relative with whom they have a close relationship, or any person with whom their spouse, parent, or child has a close relationship with.
- Participate in no action that could benefit any organization in which they have a business relationship or in which they currently serve or have served within the last year.
- Acknowledge their responsibility to disclose any financial or personal interest in any activities I am involved in that could result in a conflict of interest and to abstain from any involvement related to the activities of the district or school concerning any such relationships.

For questions or concerns related to conflicts of interest, please work with your legal counsel, and you may also contact the district's federal programs consultant or the Office of Federal Programs at esea@education.ohio.gov