



FACT SHEET

CONDUCT & CONFLICT OF INTEREST



As a pass-through entity for Federal Education funds, the Nebraska Department of Education (NDE) is providing this **Conduct & Conflict of Interest Fact Sheet** to assist Federal program subrecipients with the development and implementation of standard of conduct/conflict of interest policies and procedures required for procurement(s) using Federal dollars.

This information is being provided by the NDE as general compliance guidance only. Subrecipients of Federal funds should refer to the full text of the regulations which can be found at [Electronic Code of Federal Regulations \(eCFR\)](#) when developing their own procurement standard of conduct/conflict of interest policies and procedures.

Subrecipients of Federal funds are solely responsible for meeting all applicable Federal regulations.

Federal Standard of Conduct/Conflict of Interest Requirements

In accordance with [2 CFR 200.318\(c\)\(1\)](#), a subrecipient must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts (procurement) using Federal funds. The standards must address the following;

1. No employee, officer, or agent shall participate 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. Such a 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.
2. The officers, employees, and agents of the subrecipient must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the subrecipient.

Also, in accordance with [2 CFR 200.318\(c\)\(2\)](#) if the subrecipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the subrecipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the subrecipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

Additionally, in general (not specific to procurement), in accordance with [2 CFR 200.112](#), 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.

Definitions ([2 CFR 200.1](#))

Non-Federal entity means a state, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or a **subrecipient**.

Federal Compliance Monitoring

As part of the NDE's annual Federal Compliance Monitoring program, staff from the NDE Office of Budget & Grants Management may review standard of conduct/conflict of interest policies and procedures as they relate to procurement(s) using Federal funds. The Grant Compliance Auditors will use the requirements of 2 CFR 200 and other applicable Federal Codes and requirements when completing such reviews.

Technical Assistance

Please feel free to contact the Grants Compliance staff should you have any questions relative to the contents of this document.

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This document is not a substitute for the advice of your own attorney and/or law firm licensed to practice law in the state of Nebraska. In reading and applying Federal law, the NDE recommends LEAs seek and obtain the advice of counsel with questions of application, interpretation, and/or to ensure that use of this information is appropriate to your particular situation.

