CONFLICT OF INTEREST POLICY

I. INTRODUCTION

The Alabama State Department of Education (ALSDE) has an obligation to avoid making grant and contract awards which have, or appear to have, a conflict of interest between the ALSDE or ALSDE officials, employees, or agents and the recipient of the award or contract.

Generally, a conflict of interest exists when an organization or person participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A matter is considered to have direct and predictable effect on a financial interest if there is a causal link between any decision or action taken in the matter, and any expected effect of the matter on a financial interest.

A financial interest may include, but is not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant. Under this policy, the financial interests of others are imputed on the ALSDE personnel or agent involved in the awarding process. The term “others” includes the employee or agent’s spouse, partner, or any immediate family member of the employee, and an organization which employs, or is about to employ, any of the above.

Conflicts of interest also arise when there is an appearance that the objectivity of an organization or a person is jeopardized, or that there is the inability or potential inability to render impartial decisions based on other activities, relationships or associations with individuals. Under certain circumstances, the interest of family members and/or friends may be imputed to the person performing the award and contract responsibilities.

Conflicts of interest may arise at various stages of the award process. Conflicts can happen throughout the time program officials carry out their roles and responsibilities. Therefore, it is important to the integrity of the grant that organizations and individuals involved in the award process, such as program and departmental officials, reviewers, and recipients, are aware of the potential for conflicts. Furthermore, the organization and individuals must be aware of their responsibilities if conflicts are detected, including reporting the conflict and recusal.

II. RULES

Federal and state laws and regulations address conflict of interest standards. The Federal rules provide:

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

34 CFR § 80.36(b)(3)

ALSDE will implement its conflict of interest policies in accordance with the Alabama Ethics Law, which defines conflict of interest as:

A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

Ala. Code 1975 § 36-25-1

III. **ALSDE POLICY**
An ALSDE employee may not participate in his or her official capacity in a matter that is likely to have direct and predictable effects on his or her financial interests.

An ALSDE employee may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the review process would create the appearance that they are: 1) giving preferential treatment to an applicant; 2) losing independence and impartiality; 3) making grant decisions outside official and appropriate channels; or 4) harming the public’s confidence in the integrity of ALSDE and the State of Alabama.

If a review or evaluation panel is used during the process of awarding funds, the panel’s members must conduct their reviews without the appearance or actuality of a conflict of interest.

Situations and circumstances presenting an actual conflict or the appearance of a conflict should be brought to the immediate attention of supervisors for resolution. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Those charged with reviewing and evaluating applications, proposals, or other documents associated with awarding of funds, must sign a certification setting forth the standards for determining whether a conflict of interest exists. In addition, the certification requires the reviewer/evaluator to notify ALSDE supervisors or officials of any potential or actual conflicts with applications. ALSDE will provide this certification to the reviewer as early as possible in order to identify and resolve any potential conflict of interest situations.

All individuals involved in awarding grant funds have a responsibility to be aware of potential conflict of interest issues. ALSDE personnel and program officials must not only be cognizant of their own potential for conflicts, but must also ensure that reviewers, evaluators, and panel members, as well as providers and other recipients are aware of and adhere to the applicable conflict of interest requirements.

In addition, ALSDE officers, employees and agents are prohibited from soliciting or accepting gratuities, favors or anything of monetary value from contractors or parties awarded funds, unless the situations in which the financial interest is not significant or the gift is an unsolicited item of nominal value.

Conflict of Interest Disclosure, Review Process and Recusal

Any ALSDE employee or agent responsible for reviewing and evaluating applications and proposals who becomes aware that he or she has an actual or potential conflict of interest must promptly disclose this to the respective Education Division Program Coordinator, who will review the disclosed conflict of interest and take any action(s) deemed required or appropriate to manage or resolve the matter. These disclosures and responsive actions will also be reported to the Office of General Counsel, which may determine whether additional actions should be considered or implemented. Additional actions may include, but are not limited to, reporting the potential conflict of interest to ALSDE personnel, the U.S. Department of Education (ED) or ED’s Office of Inspector General (OIG), if deemed appropriate.
After disclosing a possible conflict of interest, the Education Division Program Coordinator will make a decision about the circumstances surrounding the potential conflict. Upon that decision, or if the individual(s) involved believes it is appropriate or necessary, the ALSDE employee or agent should immediately recuse him or herself from participating in the transaction matter and cannot be privy to any non-public information relating to the transaction. Any ALSDE employee, official, or agent who has knowledge of a possible conflict of interest should identify the conflict and notify the Education Division Program Coordinator. The recusal of any individual should be documented.

ALSDE will monitor this conflict of interest policy to ensure that these processes established for independence and recusal are followed. This monitoring will occur during ALSDE’s monitoring of the grant program. ALSDE monitors will examine conflict of interest matters while they monitor the grant award and will include items related to conflicts of interest as a monitoring indicator.

Anyone with questions about this policy, including advice for handling or assisting with potential conflict of interest issues, may contact the Office of General Counsel.

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Employee Signature
(21st CCLC Grant Reader)

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Date

____________________________________________________
Printed Name

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Mailing Address

____________________________________________________
Email Address