

Grants Conflict of Interest

Compliance Office-Central Grants

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POLICY:

Department of Human Services (DHS) and external partners involved in any part of the grant making or grant administration process must immediately disclose and report actual, potential, or perceived conflicts of interest at any point during the grant making life cycle.

AUTHORITY:

[ADM Office of Grants Management, Grants Management Policies, Statutes and Forms, \(Refer to Policy 08-01 Grants Conflict of Interest\)](#)

[Minnesota Statute, section 10A.07, "Conflicts of Interest"](#)

[Minnesota Statute, section 15.43, "Acceptance of Advantage by State Employee; Penalty"](#)

[Minnesota Statute, section 16C.04, "Ethical Practices and Conflict of Interest"](#)

[Minnesota Statute, section 471.87, "Public Officers, Interest in Contract; Penalty"](#)

[Minnesota Statute, section 16B.97, "Grants Management"](#)

[Minnesota Statute, section 16B.98, "Grants Management Process"](#)

[Minnesota Statute, section 13.599, "Grants"](#)

[Minnesota Statute, section 43A.38, "Code of Ethics for Employees in the Executive Branch"](#)

APPLICABILITY:

DHS wide and external partners.

Staff may be subject to disciplinary action, up to and including termination, for failure to comply with policies.

PURPOSE:

The purpose of this policy is to ensure DHS staff and external partners understand and comply with state and federal requirements for conflict of interests specific to grant making and grant administration processes including competitive Grant Request for Proposal (RFP)s and contracts, Mini-Grant Application RFPs and

contracts, and Official Grant Award Notifications (OGAN).

DEFINITIONS:

Applicant: an individual or entity that applies for DHS grants.

Competitive grant review process: including but not limited to developing and/or drafting, reviewing and evaluating awarding, entering into, amending or revising, monitoring, evaluating, or authorizing payments.

Conflict of interest: when a person has actual, potential or perceived duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.

- **Actual conflict of interest:** when a person uses or attempts to use their official position to secure benefits, privileges, exemptions or advantages for self, relatives, or organizations with which the person is associated which are different from those available to the general public.
- **Individual conflict of interest:** any situation in which the judgment of a DHS employee or external partner's actions or non-action could be interpreted to be influenced by something that would benefit them directly or indirectly benefit an immediate family member, business, or organization with which they are involved. An individual conflict of interest occurs when any of the following conditions are present:
 - a DHS employee or external partner uses their status or position to obtain special advantage, benefit, or access to the grantee or grant applicant's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
 - a DHS employee or external partner receives or accepts money or anything else of value from a state grantee or grant applicant or has equity or a financial interest in, or partial or whole ownership of, an applicant organization.
 - a DHS employee or external partner is an employee or board member of a grant applicant, or grantee applicant, or is a family member of anyone involved in the grantee or grant applicant's agency.
- **Organizational conflict of interest:** occurs with an organization that is a grant applicant in an RFP or competitive grant process or grantee of a state agency. Organizational conflicts of interest occur when:
 - a grantee's objectivity in carrying out the grant is impaired or compromised due to competing duties or loyalties.
 - a grantee, potential grantee or grant applicant has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.
- **Perceived conflict of interest:** any situation in which a reasonable person could conclude that conflicting duties or loyalties exists. A conflict of interest may exist even if no unethical, improper, or illegal act results from it.

- Potential conflict of interest: if a person has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests. Employee: an individual acting as an agent of the department. For the purposes of this policy, “employee” is read broadly and includes contract employees, interns, and volunteers.

External partner: a non-DHS employee who will be involved with any grant related activities, including but are not limited to community reviewers, facilitators, those providing input to the RFP, individuals participating in focus groups, community advisors, and community leaders.

Grant reviewer: a person who evaluates competitive grant proposals. Grant reviewers include, but are not limited to, state employees, appointed members serving on an executive branch board, committee, authority, task force, and council and community members.

PROCEDURES:

A. Develop/drafting grant RFP: External Partner

1. The external partner must review and complete the [External Partner Conflict of Interest Disclosure Form](#).
 - a. In the “External Partner Certification” section, the external partner must disclose whether there is a conflict(s) of interest, sign and return to DHS grant staff.
 - b. If the response is selected that states there is an actual, potential or perceived conflict(s) of interest, the external partner may, but is not required to, provide the following information: name(s) of entity/individual, relationship, description of conflict.
2. Throughout grant related activities, external partners must inform the DHS Grant Staff or contact if any new, or potentially new, conflict(s) emerge.
3. DHS Grant Staff must do the following when the external partner returns the External Partner Conflict of Interest Disclosure Form:
 - a. Review the External Partner Conflict of Interest Disclosure form to ensure it is filled out entirely.
 - b. Discuss and address conflicts of interests with the DHS Ethics Office by submitting the completed External Partner Conflict of Interest Disclosure Form to the DHS Chief Ethics Officer at ethics_questions.dhs@state.mn.us.
 - c. DHS Grant Staff will sign and date the “DHS Program Use Only” section of the form.
4. When the conflicts are addressed the DHS Grant Staff must collect and upload the forms and any corresponding documents into the Pre-award Object, Tab 3 – “Pre-Award Documents” of the [Contracts Integration System \(CIS\)](#). (Refer to the [Contracts Integration System SharePoint Site- CIS Resource Guides](#)).

B. Competitive Grant Reviews

1. Grant reviewers, including state employees, appointed members serving on an executive branch board, committee, authority, task force, and council and community members must comply with [Minnesota Statute, section 16B.98, subdivision 2-3, "Grants Management Process"; Minnesota Office of Grants Management \(OGM\) Grants Management Policies, Statutes, and Forms; and Code of Federal Regulations \(CFR\), title 2, section 200.112, "Conflict of Interest."](#)
2. Staff must not send applications to grant reviewers until the fully completed [Conflict of Interest Disclosure Form for Competitive Grant Reviews](#) is uploaded and saved in the CIS.
3. All grant reviewers must disclose whether there is a conflict(s) of interest, sign and return to DHS grant staff the "Conflict of Interest Disclosure Form for Competitive Grant Reviews" for each competitive grant review in which they participate.
 - a. The grant reviewer is not required to explain the reason for the conflict of interest on this disclosure form.
 - b. A disclosure does not automatically result in the grant reviewer being removed from the grant review process.
4. The grant reviewer must return the completed and signed form to the DHS Grant Staff.
 - a. If applicable, the grant reviewer will discuss and address any actual, potential, or perceived conflicts of interest that are disclosed, with DHS Grant Staff.
 - b. If applicable, DHS Grant Staff will discuss and address conflicts of interests with the DHS Ethics Office by submitting the completed "Conflict of Interest Disclosure Form for Competitive Grant Reviews" to the DHS Chief Ethics Officer at ethics_questions.dhs@state.mn.us.
5. When the conflicts are addressed the DHS Grant Staff must complete, sign, and date the "Grant Reviewer Certification: To be Completed by Grant Reviewer" section of the form.
6. DHS Grant Staff will collect and upload the forms and any corresponding documents into the Pre-award Object, Tab 2 – "Evaluators" of the CIS. (Refer to the Contracts Integration System SharePoint Site- CIS Resource Guides).

- C. Internal DHS Employee Grant Conflict of Interest Policy Acknowledgement: DHS Employees involved in any aspect of grant-making or grant administration are required to attest to their knowledge and understanding of the DHS grant conflict of interest policies and procedures annually.

REVIEW:

Biennial

REFERENCES:

[ADM Office of Grant Management, Operating Policy and Procedure 08-01, "Conflict of Interest for State Grant-Making" \(Webpage\)](#)

[Code of Federal Regulations \(CFR\) 200.112, "Conflict of Interest" \(Webpage\)](#)

[DHS Central Grants Office internal Grants Management, "Grants management" \(InfoLink\)](#)

[DHS Contract Manual \(Webpage\)](#)

[DHS Ethics Overview \(Webpage\)](#)

[DHS Policy 8234.075, "Conflict of Interest" Policy \(PDF\)](#)

[MMB HR/LR Policy #1445, "Code of Ethical Conduct" \(PDF\)](#)

ATTACHMENTS:

[Conflict of Interest Disclosure Form for Competitive Grant Reviews 8220.210a \(PDF\)](#)

[Contracts Integration System SharePoint Site- CIS Resource Guides \(SharePoint\)](#)

[External Partner Conflict of Interest Disclosure Form 8220.210b \(PDF\)](#)

Internal DHS Employee Grant Conflict of Interest Policy Acknowledgement (Pathlore)

[Ethics-Conflict of Interest-Policy Questions form](#) (AgileApp)

SUPERSESSION:

DHS administrative policy "Grants Conflict of Interest," effective 6/10/2025 and all policies, memos or other communications whether verbal, written, or transmitted by electronic means regarding this topic is superseded with this version, if any.

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Compliance