

What is a conflict of interest?

A conflict of interest is when an employee or volunteer has a personal or business interest conflicting with the interest of the entity where they work or volunteer.

What are examples of a conflict of interest?

A conflict of interest might happen if an employee of any entity, or a member of the employee's family, receives a real or perceived personal benefit from a business interaction or because of a purchase or contract entered.

For example, John is employed by Tribal Marts Enterprises. John is responsible for choosing the fuel contract for the three tribal marts selling fuel. John's family owns a fuel distribution company and John is a stockholder in the family's business. If John chooses his family's company as the Tribal Marts Enterprises' fuel vendor, and he profits through his family's business, he has a conflict of interest.

Another example might be June, an Office Manager for a tribal program, who oversees getting bids for the copier maintenance contract. June's husband owns a copier maintenance company. If June offers the contract to her husband's company without giving other companies the opportunity to bid on the work, June might have a conflict of interest. To avoid a perceived conflict of interest, June could report the potential conflict of interest to her employer and could have a co-worker perform or provide a secondary review of the process.

What are ways to avoid a conflict of interest?

An entity can maintain a Code of Ethics to promote actions reducing opportunities for conflicts of interest with policies which:

- ◆ Are written and require all employees, volunteers, and board members to review and agree to abide by them
- ◆ Prohibit tribal employees and volunteers from asking for or accepting gifts, favors, gratuities, or anything of monetary value from contractors or parties to subcontracts
 - ◆ Some policies allow employees to accept items if they are of a de minimis value clearly defined in the policy
- ◆ Advise employees, volunteers, and board members to disclose any potential conflicts of interest
- ◆ Adopt practices which exclude individuals who have real or potential financial interest in the companies under consideration from the selection process
 - ◆ Require employees, volunteers, and board members to sign a conflict of interest statement

What is a conflict of interest statement?

A conflict of interest statement is a form signed by employees, volunteers, and/or board members at the beginning of their service, and often again each year, acknowledging they have read and agree to abide by the entity's Code of Ethics. An example of a statement might look like this:

The undersigned person:

- ◆ Acknowledges receipt of a copy of the entity's Code of Ethics, and
- ◆ By their signature below acknowledges an agreement with the spirit and intent of the code, and
- ◆ Agrees to report to the Tribal Administrator or another individual in a leadership position any possible conflicts (other than those disclosed below) which may develop while performing their assigned activities on behalf of the entity.

INITIAL ONE:

_____ I am not aware of any conflict of interest

_____ I have a conflict of interest in the following area(s):

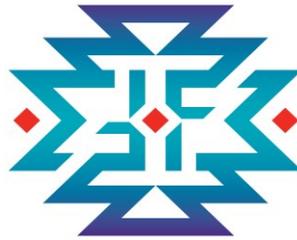
DATE: _____

PRINT NAME: _____

SIGNATURE: _____

References

- ◆ [2 CFR 200.318 \(c\)\(1\)](#)
- ◆ [2 CFR §200.212](#)



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Feedback Requested

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