Information

Organizational Conflicts of Interest for Federally Funded Projects

Effective

August 17, 2026

Applicability

This procedure applies to University of Louisville (University) employees (faculty, staff and administrators) involved in proposing, planning, approving, selecting, awarding, purchasing, contracting, administering, or monitoring procurements or other transactions supported by federal funds or committed cost share. It applies when the University has or may have a transaction with a parent, affiliate, subsidiary, controlled entity, foundation, supporting organization, research institute, faculty or staff-affiliated company, or other related organization, and that relationship could reasonably call the University's impartiality into question.

Administrative Authority

Vice President for Risk, Audit, and Compliance

Responsible Unit

Conflict of Interest and Commitment Office
300 East market St, Suite 300,
Louisville, KY 40202
502-852-7612
coi@louisville.edu

History

Revision Date(s):
Reviewed Date(s):

Categories

Reason for Procedure:

This procedure helps the University identify, review, manage, document, and report organizational conflicts of interest (OCIs) in federally funded projects. It is written to satisfy DOE OCI requirements and to be used for any federal sponsor, pass-through entity, award term, or incorporated federal regulation with similar requirements. The goal is to protect fair, objective, and transparent procurement and other project transactions, especially when federal funds or committed cost share may be used with an organization related to the University.

Statement:

OCI Review Procedure

Step 1: Screen early

Before proposal submission and before any federally funded transaction, determine whether the proposed provider is legally, financially, operationally, or institutionally related to the University; whether University employees or offices have roles with the provider; whether federal funds or committed cost share will be used; and whether a reasonable person could question impartiality.

Step 2: Submit an internal OCI review request

If the answer is yes or possibly, submit a review request before the transaction moves forward. Include the project and award or proposal number, provider name and website, relationship description, transaction description, estimated value, funding source, basis for using the provider, interested University employees, procurement role of any interested person, and any proposed mitigation.

Step 3: Determine whether an OCI exists

The COIC Office, in consultation, with Procurement, Sponsored Programs, University Counsel, and other offices as needed, will make one of four determinations:

- No OCI exists;
- A potential or apparent OCI exists;
- An actual OCI exists; or
- An OCI exists that cannot be avoided, eliminated, or mitigated.

Step 4: Select a resolution

If no OCI exists, document the review and proceed through normal processes. If a potential or actual OCI exists, decide whether it can be avoided, eliminated, or mitigated. If it can be avoided, eliminated, or mitigated, implement measures for avoiding, eliminating, or mitigating the OCI. Such measures must be included in a written plan. If the OCI cannot be avoided, eliminated, or mitigated, do not use federal funds or committed cost share for the transaction.

Step 5: Disclose externally when required

When required by sponsor terms, federal regulation, award conditions, or pass-through instructions, disclose the potential or actual OCI in writing to the federal sponsor or pass-through entity within the applicable timeframe and before engaging in the covered transaction.

If a potential or actual OCI is known at the time of proposal, the disclosure must be included in the application where the sponsor so requires. If a potential or actual OCI is identified after application, the disclosure must be submitted within the sponsor's required timeframe and, in all cases, before the University engages in the covered transaction.

Do not hold the disclosure until completion of an internal review. Sponsor deadlines run from identification of the potential OCI, not from completion of the University's review. If internal reviews are not concluded within an applicable deadline, submit the disclosure with the draft mitigation plan and supplement following completion of the internal reviews.

Step 6: Do not proceed until required steps are complete

Do not proceed until the internal review is complete, required legal or institutional approvals are obtained, required sponsor disclosures are submitted, any required sponsor response or approval is received, and a written mitigation plan is in place when required.

Step 7: Monitor the mitigation plan

Confirm recusals, independent review, procurement documentation, contractor performance, invoices, deliverables, oversight by non-conflicted employees, and any material changes. Update the sponsor or pass-through entity when required.

Step 8: Maintain records

Retain the review request, relationship information, procurement records, determination, mitigation plan, disclosures, sponsor response or approval, legal or institutional approvals, monitoring records, and corrective action records according to award terms and University retention schedules.

Common Mitigation Options

- Use open and fair competition when required or appropriate.
- Remove conflicted employees from drafting specifications, evaluating proposals, recommending vendors, approving the purchase, or administering the contract.
- Use an independent evaluator or review committee.
- Use written selection criteria established before proposals are reviewed.
- Obtain an independent cost or price analysis.

- Document business need, reasonableness, allocability, and basis for vendor selection.
- Assign contract oversight and invoice review to non-conflicted employees.
- Require periodic performance monitoring and written status checks.
- Use another provider or non-federal funds outside the committed cost share if the conflict cannot be adequately managed and such use is otherwise allowable.

Sponsor Disclosure Content

Unless the sponsor, pass-through entity, regulation, or award term requires more, an OCI disclosure should include:

- Name, address, and website of the related organization.
- Relationship between the University and the related organization.
- Nature and anticipated value of the proposed transaction.
- Basis for using the related organization.
- University determination regarding whether a potential, apparent, or actual OCI exists.
- Plan to avoid, eliminate, or mitigate the OCI.
- Status of any required legal, Board, or other institutional approval.

Additional Legal or Institutional Review

Some transactions may also raise individual conflict of interest, institutional conflict of interest, conflict of commitment, procurement conflict, state-law, Board approval, or other institutional approval issues. These reviews are related but separate. A sponsor OCI disclosure or mitigation plan does not replace required legal or institutional approval, and legal or institutional approval does not replace sponsor disclosure or OCI mitigation.

If an employee or University official has a direct or indirect interest in the proposed provider, or if the transaction is high value, sole source, sensitive, unusual, or likely to raise public concern, consult the COIC Office before proceeding.

Situations that Need OCI Review

The following are not automatic violations, but they require, at a minimum, OCI review before the University moves forward:

- A project proposes to buy goods or services from a University affiliate, foundation, supporting organization, controlled entity, research institute, subsidiary, faculty or staff-affiliated company, or similar organization.

- The proposed provider shares governance, leadership, ownership, management, facilities, employees, funding, or financial interests with the University.
- A related organization helped write the scope of work, specifications, budget, or procurement strategy and is also being considered as the provider.
- A related organization had access to non-public information that could give it an unfair advantage.
- The transaction could appear to be based on institutional relationship instead of need, quality, price, qualifications, competition, or project benefit.

Definitions:

Organizational conflict of interest (OCI) An OCI exists when, because of the University's relationship with a parent, affiliate, subsidiary, or other related organization, the University is unable or appears to be unable to be impartial in a procurement or other transaction involving the parent, affiliate, subsidiary, or other related organization.

Related organization Any organization with a legal, financial, governance, management, operational, ownership, control, or other institutional relationship with the University that could reasonably affect or appear to affect impartiality.

Federal funds - Funds provided by a federal sponsor directly or through a pass-through entity, including funds under grants, cooperative agreements, subawards, and other federal financial assistance instruments.

Committed cost share - University or third-party resources committed to a federally funded project, whether cash or in-kind.

Transaction - A purchase, subcontract, consulting agreement, service agreement, equipment or supply purchase, testing or data service, license-related arrangement, or other commitment using federal funds or committed cost share.

Responsibilities:

Principal Investigator (PI), Project Director, or Project Team - Identify possible related organizations early; provide the business purpose, funding source, estimated value, relationship details, and reason the provider is being considered; disclose known employee, institutional, or related-entity interests; do not make commitments until review is complete.

Procurement - Screen procurement requests for related organizations and employee interests; confirm the procurement method is fair and compliant; help identify avoidance or mitigation options; retain procurement records supporting method, selection, rejection, and price.

Sponsored Programs - Review proposal, award, sponsor, and pass-through requirements; coordinate sponsor disclosure when required; retain OCI documentation in the award file.

COIC Office - Coordinate the OCI review; consult with Procurement, Sponsored Programs, University Counsel, and other offices; issue or track determinations, mitigation plans, disclosures, and monitoring. Monitor compliance with the mitigation plan, including recusals, independent review, contract oversight, invoice review, performance monitoring, updates, and corrective action. Provide required OCI training to necessary employees prior to the employees engaging in federally funded projects.

University Counsel - Advise on complex, high-value, sole-source, sensitive, or unresolved matters; determine whether state law, Board, or other institutional approvals are required; confirm legal approval does not replace sponsor disclosure or mitigation obligations.

NONCOMPLIANCE

Failure to identify, disclose, avoid, eliminate, mitigate, monitor, or document an OCI may result in disallowed costs, sponsor-imposed award conditions, suspension or termination of the award, other federal remedies, corrective action, or disciplinary action under applicable University policy.