

CAUTION: The following advice may be based on a rule that has been revised since the opinion was first issued. Consequently, the analysis reflected in the opinion may be outdated.

IC 4-2-6-9

The CFO of OFBCI was subjected to a screening process where a conflict of interest existed due to his spouse's employment with a college office that received grant funding from his agency.

September 20, 2005
No. 05-I-8

BACKGROUND

The chief financial officer of the Office of Faith-Based and Community Initiatives is married to an employee of Franklin College. Specifically, the spouse works part-time for the Professional Development Program at Franklin College. That program has a business relationship with OFBCI in that the Professional Development Program at Franklin received a grant from OFBCI for this year in the amount of \$150,000. The chief financial officer recused himself from the review of Franklin College's application materials. As CFO, the chief financial officer is responsible for review of the college's project budget, the contract and compliance processes. A twist to the situation is that the chief financial officer's wife is not paid by Franklin College or by the Professional Development Program in which she works. She is paid by Lilly Endowment C.A.P.E. grant. This Lilly Endowment grant is managed by the Professional Development Program.

QUESTION

Can the chief financial officer's spouse accept employment with Franklin College, specifically the Professional Development Program, provided that both she and the college maintain a separation of duties?

RELEVANT LAW

Conflict of Interest:
IC 4-2-6-9 (AMENDED, 2005)

CONCLUSION

Because his spouse is employed by Professional Development Program at Franklin College, the chief financial officer has a conflict of interest in making any decisions regarding OFBCI grants to Professional Development Program. Accordingly, the State Ethics Commission approves the following screen recommended by the OFBCI:

1. All approval of claims for reimbursement, preparation and execution of grant contracts and amendments, budget reviews and approvals, compliance resolution, and other issues relating to Franklin College, shall be assigned to the Account Clerk.
2. The OFBCI will notify Franklin College that all communication regarding the financial components of its AmeriCorps State contract shall be directed to the Account Clerk.