



Gifts and Hospitality Issues Actions for Success

Red Flags for Identifying Inappropriate Gifts

Use the following checklist to determine whether offering or accepting a gift is appropriate. If you check ANY of these items, you should not accept the gift and ask for assistance from your company ethics office or legal counsel.

- ☐ Is this out of the ordinary?
- ☐ Will it appear to improperly influence a decision?
- ☐ Does it create a real or perceived conflict of interest?
- ☐ Are you putting yourself, or appear to be putting yourself, in a compromised position?
- ☐ How would this appear to others in the company or the general public?
- ☐ Do you have permission to accept the gift?
- ☐ Will this gift set a bad precedent?
- ☐ Is it something that you could not afford to buy yourself?
- ☐ Is it gift personal or can it be used and shared with everyone?
- ☐ Are you making any effort to conceal something?
- ☐ Are you uncomfortable accepting or giving the gift?

Four “R’s” for Refusing a Gift

Refusing an inappropriate gift can be awkward. It may be as easy as a smile and a “No thank you” or a more difficult situation where you feel pressured or manipulated. Whatever the case, you should use the four “R’s” for refusing a gift.

- 1. Refuse:** If you are offered a gift, entertainment, or preferred treatment that you believe is inappropriate, you should refuse it immediately if possible.
- 2. Report:** Promptly report the situation to your supervisor or controller.
- 3. Return:** If you can’t refuse the gift, you should return it with an explanation of your company’s policy on gifts.
- 4. Redistribute:** If returning it is not possible, (or would offend the giver), donate it to a charity or distribute it equitably within your organization.



Appearance is everything!

No matter what the particular circumstances are, appearance is everything!

- The gift must appear squeaky clean from every point of view.
- You do not want the gift to appear to influence decision-making.
- You do not want the gift have even the appearance of impropriety.
- You do not want the gift to make your company appear to be unethical in any way.

Don't forget the publicity test. Could you accept the gift in good conscience if your supervisor, spouse, children, or clergy knew about it? You must answer "Yes" without hesitation or reservation.

Key Words for Success

Remember these three key words*...

1. **Moderation:** "The state in which something remains moderate rather than becoming extreme or excessive."
2. **Prudent judgment**
 - a. "Having good sense in dealing with practical matters."
 - b. "Using good judgment to consider consequences and to act accordingly."
 - c. "Careful in managing resources so as to provide for the future."
3. **Common Sense:** "Having sound practical judgment derived from experience rather than study."

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Government Gift-Giving Policies

As a general rule, refrain from offering gifts or hospitality to government employees. Government employees are subject to rules that oftentimes prohibit them from accepting anything of value. You should ask before you give.



Reporting

All gifts above nominal value should be reported. Remember that it doesn't hurt to ask when in doubt. You should know who to ask if you have questions. Usually your supervisor is the best person to contact. If he or she is unsure, you should contact your company's ethics office, legal counsel, or an executive.