



## Gifts and Hospitality Actions for Success

### 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.

First, refuse: If you are offered a gift, entertainment, or preferred treatment that you believe is inappropriate, you should refuse immediately if possible.

Second report: Promptly report the situation to your supervisor or controller.

Third, return: If you can't refuse the gift, you should return it as soon as possible with an explanation of your company's policy on gifts.

And fourth, 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 or have even the appearance of impropriety.

You do not want the gift to make your company appear to be unethical in any way.

And 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

Let's think about three key word for success:

1. Moderation: This is the state in which something remains moderate rather than becoming extreme or excessive. Your gift giving or receiving habits should be moderate.
2. Prudent judgment. You need to have good sense in dealing with gifts and hospitality. It takes prudent judgment to consider consequences and to act accordingly.
3. Common Sense: This means that you have sound practical judgment that is derived from experience.

### Reporting and Responsibility

The ultimate decision for deciding to give or accept a gift lies with you. No matter what other people do to place you in a compromising situation, you have the final choice to stay there or get out of it. You need to know when it's coming, how to deal with it in a



positive, diplomatic manner, and when to report it. You should never feel guilty for not accepting a gift. If the giver reacts negatively, then it is a strong signal that this business relationship is not right for you. Use your conscience to help you sort out the dilemmas that come your way. Usually your first impression or gut instinct is correct. If you have to rationalize or think about it too much then you may be trying to override your natural defense mechanism. As with any unethical situation, you need a cool head and courage to make difficult choices.

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.