

# Gifts from Outside Sources

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## Reference:

**Standards of Ethical Conduct for Employees of the Executive Branch** (5 C.F.R. 2635, Subpart B – Gifts From Outside Sources): [http://www.usoge.gov/laws\\_regs/regulations/5cfr2635.aspx](http://www.usoge.gov/laws_regs/regulations/5cfr2635.aspx)

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The **Standards of Ethical Conduct for Employees of the Executive Branch** state that an employee, whether on or off duty, may not solicit or accept, directly or indirectly, any gift, favor, gratuity, entertainment, or loan, regardless of value, from a prohibited source, nor may an employee accept a gift, or thing of value, given because of the employee's official position. The following definitions will clarify what is considered a gift, and from who gifts are permitted. The exceptions to the gift acceptance prohibition are also described below.

## **Definitions**

A **gift** is a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of training, transportation, local travel, and lodgings and meals. Travel related gifts are covered whether provided in-kind (that is, the donor just gives you a plane ticket, or hotel room key), payment in advance, or reimbursement after the expense has been incurred.

A gift is **NOT**:

- Food or refreshment which is not in conjunction with a meal, such as coffee, donuts, punch and cookies - in other words, snacks, are not considered gifts.
- Greeting cards and items of little intrinsic value (e.g., plaques, certificates and trophies which are solely for presentation.)
- Rewards and prizes given in contests which are open to the public or to a broadly defined class of government employees.
- Loans from banks and other financial institutions at rates available to the general public.
- Opportunities and benefits generally available to the public, or to all government employees.
- Anything that the government pays for or anything for which you pay the fair market price.

A **Prohibited Source** may be:

- Any person, or entity, who has, or is, seeking to do business with USDA, or is seeking official action by USDA,
- Anyone who conducts operations which are regulated by USDA,
- Anyone with interests which may be substantially affected by the performance or non-performance of an employee's official duties, or,
- Any professional, technical or trade association, the majority of whose members represent prohibited sources.

A gift is ***solicited or accepted because of the employee's official position*** if it is offered by a non-employee and would not have otherwise been offered, had the employee not held the Federal position.

***Solicited or accepted indirectly*** means that the gift was given with the employee's knowledge and acquiescence to a parent, sibling, spouse, child, or dependent relative because of the relationship to the employee; or given to any charitable organization because the employee designated that particular charitable organization.

### **Exceptions to the Gift Rules (Gifts Which May Be Accepted)**

Even though acceptance of a gift may be permitted by the exceptions outlined in the regulation, it is sometimes advisable and prudent for an employee to decline a gift offered by a prohibited source or because of his/her official position. Gifts may generally be accepted from individuals/entities outside the Government in the following situations. These descriptions are quite general. For more details, see the regulation (5 CFR 2635, Subpart B) or consult with your Agency/Area Ethics Advisor.

- Gifts of **\$20 or less** per occasion may be accepted from a single source. However, you may not accept more than \$50 from any one source in any one calendar year. Multiple representatives of the same outside entity constitute the same source. This exception DOES NOT apply to gifts of cash or investment interests, which are not permitted.
- Gifts which are offered because of a **personal relationship** are also OK, even though your friend or relative works for a prohibited source. However, you must be careful that the gifts do indeed come from your friend or relative and are not being paid for by your friend's company.
- **Discounts and similar benefits**, including favorable rates and commercial discounts, are acceptable even when they are offered to a limited class of employees, provided that the class is defined so as not to discriminate among Government employees on the basis of employment, rank, rate of pay, or type of official responsibility.
- **Honorary degrees and Awards** require advance approval by the Science Ethics Branch. Awards, other than cash, with an aggregate market value of less than \$200 may be accepted, even if the award is for meritorious public service or actions taken in an official capacity. If the award is cash, or exceeds the \$200 threshold, it still may be accepted with the advance approval of your Agency/Area Ethics Advisor and the Science Ethics Branch. In addition, your Agency/Area Ethics Advisor and the Science Ethics Branch must determine that the award is given on a regular basis and pursuant to selection standards or chosen by a committee.
- **Gifts based on outside relationships** may also be accepted. When we speak of outside relationships, we are talking about gifts which are offered to you because of your outside employment or activities, or because of your spouse.
- **There are also exceptions for free attendance**, including waived registration or free attendance at dinners or receptions. If you are speaking in your official capacity, at a conference, seminar, or training session, conference fees may be waived on the day(s) of your presentation(s) without further approval. If you are going to be a luncheon or dinner speaker, you may sit at the head table and eat the meal along with the rest of the dignitaries. Free attendance on days other than when you speak, or attendance at other dinners or receptions, require separate advance approval. Please see form SEB-104, Acceptance of Free Attendance at Widely-Attended Gatherings, for additional information: <http://www.usda-ethics.net/science/forms/index.htm>

See the Standards of Ethical Conduct, 5 CFR 2635, Subpart B, for additional information & proper disposition of prohibited gifts. For additional information, contact your Agency/Area Ethics Advisor:

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