

# Gifts & Expectation of Ethical Conduct

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## 1.0 POLICY

Town of Carolina Beach policy prohibits employees from accepting gifts, gratuities or other considerations from anyone except as noted in this policy.

## 2.0 PURPOSE

The citizens of Carolina Beach entrust the employees of the Town to provide services to further the public, not private or personal, interest. To maintain the public trust, it is essential that the Town function honestly and fairly, free from all forms of impropriety, threats, favoritism, and undue influence or from the appearance of impropriety. Town employees must maintain and exercise the highest standards of duty to the public in carrying out the responsibilities and functions of their positions. Supervisors and managers are expected to set the "tone" for adherence to the policy and serve as an example to follow.

In some circumstances, North Carolina State law also prohibits the acceptance of gifts or gratuities or the granting of any favor by governmental employees and makes a violation of this prohibition a Class I misdemeanor.

The Town acknowledges that networking opportunities in social settings and certain gift giving practices may be customary and are an integral part of on-going business relationships. However, employees will not accept gifts and gratuities for the benefit of the employees or participate in granting favors or influence of any kind regarding Town business except as noted in this policy.

## 3.0 SCOPE

This policy applies to all Town employees. This policy also applies to parties whom the employee knows, or has reason to know, any of the following:

Is doing or seeking to do business of any kind with the Town,

Is engaged in activities that are regulated or controlled by the Town, or who

have a financial interest that may be substantially and materially affected, in a manner distinguishable from the public, generally, by the performance or nonperformance of the employee's official duties.

## 4.0 DEFINITIONS

- 4.1 Benefit - For the purposes of this policy a benefit is anything reasonably regarded as a financial gain or financial advantage, including a benefit to any other person in whose welfare an employee has a direct and substantial interest.
- 4.2 Business - Any of the following, whether or not for profit; association, corporation, enterprise, joint venture, organization, partnership, proprietorship, vested trust, and every other business interest, including ownership or use of land for income.
- 4.3 Town Employee - Any person appointed to a position with the Town of Carolina Beach for wages.

- 4.4 Contract - A promise or set of promises constituting an agreement between the parties that gives each a legal duty to the other and also the right to seek a remedy for the breach of those duties.
- 4.5 Contractor - One who, for a fixed price, undertakes to perform work or services, or the furnishing of goods for the Town.
- 4.6 Vendor - A seller of goods or services to the Town.
- 4.7 Gift - Anything given to the Town of Carolina Beach or its employee, officer or agent, in the course of official duties, whether personal or real property, voluntarily transferred without compensation or consideration, or for substantially less than market value. Examples of gifts, and this list is not intended to be all-inclusive are food, promotional items, real property or the use of real property, meals, and entertainment.
- 4.8 Gratuities - Something given voluntarily to the Town of Carolina Beach or its employee, officer or agent, in the course of official duties, usually in return for or in anticipation of some service. Examples of gratuities, and this list is not intended to be all-inclusive are intangible items that represent a certain value such as money, preferential terms, endorsements, services, and/or access to people or information.
- 4.9 Nominal Gift - A gift or benefit with a fair market value of less than \$25.

## **5.0 ORGANIZATIONAL RULES**

- 5.1 Meals and Beverages
  - A. ALLOWED Meals and Beverages - Meals and beverages may be paid by another party if:
    1. At conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there are a substantial number of different jurisdictions represented at the function to avoid the perception of "singling out" the Town of Carolina Beach employee for special treatment, or
    2. Provided at an "Open House", meals and beverages are allowable if attendance at the event is widespread and includes staff members of other municipalities or the general public, or
    3. The item is perishable (consumable) and it is offered for the enjoyment of all employees in a work unit.
  - B. PROHIBITED Meals and Beverages – Meals and beverages may not be paid by another party if:
    1. The item is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction.
- 5.2 Non-Monetary Gifts and Gratuities
  - A. ALLOWED Non-monetary Gifts and Gratuities - Non-monetary Gifts and Gratuities may be accepted if the item:
    1. Represents a souvenir or a promotional item and the fair value is estimated at \$25 or less, or
    2. Is a sample or representative product produced or sold by the other party and the value is estimated at \$25 or less, or
    3. Is perishable (such as holiday plant, flowers) and is displayed for the enjoyment of all employees in a work unit, or
    4. Is won in a raffle at a professional conference or other function, or
    5. Is accepted on behalf of the Town (of any monetary value), with acknowledgement.

- B. PROHIBITED Non-Monetary Gifts and Gratuities – Non-monetary gifts and gratuities may not be accepted if the item:
    - 1. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction or
    - 2. Is other than the allowable circumstances described above or is in excess of the nominal gift threshold.
- 5.3 Monetary Gifts and Gratuities (including gift cards and certificates)
  - A. ALLOWED Monetary Gifts and Gratuities – Monetary gifts and gratuities may be accepted if the item:
    - 1. Is accepted on behalf of the Town (of any monetary value) with acknowledgement or
    - 2. Is won in a raffle at a professional conference or other function.
  - B. PROHIBITED Monetary Gifts and Gratuities – Monetary gifts and gratuities may not be accepted if the item:
    - 1. Is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
    - 2. Is a gift certificate or cash award in any denomination, accepted for the sole benefit of an employee or the employee's family member, other than described in Section 5.3, A.2 above or Section 5.6 below, or
    - 3. Is payment offered for serving on an appointed board or commission, where the appointment is made due to the position or duties as a Town employee.
- 5.4 Travel and Lodging
  - A. ALLOWED Travel and Lodging – Travel and lodging expenses may be paid or offered by another party only if it is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town.
  - B. PROHIBITED Travel and Lodging – Travel and lodging expenses may not be paid or offered by another party if:
    - 1. For any reason, the employee attends or speaks at a conference, user group or is part of a panel discussion, unless the other party is completely independent of a current or potential vendor associated with the Town, or
    - 2. For any reason, the employee is evaluating a product or service for potential business use by the Town or is "troubleshooting" an existing product in service, or
    - 3. For any reason, the employee's attendance is required at meetings/events surrounding a business or financial transaction, or
    - 4. The travel and lodging represents use of a private entity's personal or real property

"PROHIBITED" travel and lodging expenses are to be paid for by Town employees under the standard Travel Policy, if associated with a valid business purpose.
- 5.5 Entertainment
  - A. ALLOWED Entertainment – Entertainment may be accepted if:
    - 1. The entertainment is associated with the public business of industry recruitment, promotion of international trade, or the promotion of travel and tourism, and the employee(s) is responsible for conducting the business on behalf of the Town, or

2. The entertainment is associated with conferences, meetings of professional organizations or other gatherings of individuals for educational, training and/or professional development purposes, provided that all participants are invited to attend or there is a substantial number of different jurisdictions represented at the function to avoid the perception of "singling out" the Town of Carolina Beach employee for special treatment, or
  3. The entertainment is provided at an "Open House" and attendance at the event is widespread and includes members of the general public, or
  4. The Town is an official sponsor or joint sponsor of the event.
- B. PROHIBITED Entertainment – Entertainment may not be accepted if:
1. The item is given by or on behalf of a vendor/contractor with the intention to influence or which may give the appearance of influencing the Town employee concerning a business transaction, or
  2. The entertainment relates to participation in or viewing golf or other sporting event, or
  3. The entertainment is provided by a third party and is not available to the general public. (For example, a Town employee may not accept the use of special entertainment suites, box seating or a company sponsored hospitality area that is not available to the general public).
- 5.6 Awards and Honoraria
    - A. ALLOWED Awards and Honoraria - Awards and honoraria may be accepted if:
      1. The receipt of the honorarium or gift is for participating in meetings, in recognition of achievement or services provided to a profession or organization, or
      2. The items are advertising items or souvenirs of nominal value, or
      3. Meals furnished at banquets.
  - 5.7 Favors and Influence
    - A. A Town employee shall not knowingly use the employee's public position in any manner that will result in financial benefit, direct or indirect, to the employee, a member of the employee's family or a person with whom, or business with which, the employee is associated.
    - B. An employee will not mention or permit another person to mention the employee's public position in commercial advertising, unless it refers to comments associated with a professional organization's training program.
    - C. No preferential treatment may be given on any rates, loans, services or in any Town process.

## 6.0 PROCEDURES

- 6.1 If questions arise concerning application of the provisions of this policy, employees should report the situation to their immediate supervisor who will consult with the department's appropriate manager to determine if the item or activity is allowable. Departmental management should contact the Human Resources Department for assistance, if needed.
- 6.2 IF A PROHIBITED GIFT IS RECEIVED, the employee will either:
  - A. Return to sender, if practical, or
  - B. Donate it to the Town of Carolina Beach, or
  - C. Purchase the items/supplies, paying fair market value, for the benefit of the Town.

In all cases where a prohibited gift is received, the gift must be acknowledged in a letter to the donor explaining the item was accepted on behalf of the Town of Carolina Beach.

- 6.3 Supervisors will receive training on this policy in order to facilitate the training of their subordinates.
- 6.4 New hires will be informed of the Gift Policy during their Orientation process.
- 6.5 The Gifts Policy will be posted on the Intranet and should be reviewed at least annually.
- 6.6 Violations of this policy will subject the employee to disciplinary action, up to and including termination.
- 6.7 With his sole discretion and judgment, the Town Manager may interpret and apply the procedures and policies contained herein in accordance with the specific circumstances.

## **7.0 APPENDIX, APPENDICES**

None