Hospitality Gifts

Q: My wife and I enjoy entertaining. When I was in the private sector, we invited employees to our home for annual holiday parties. Now that I work for the Government, we plan to invite the people I supervise to similar events in our home. If any of these employee-guests should bring a gift, such as a box of candy, a planter, or a bottle of wine, may I accept?

A: Yes, you may accept hospitality gifts from subordinate employees and other employees receiving less pay than you provided that the gifts are of a type and value customarily given in connection with the receipt of personal hospitality.

Voluntary Contributions

Q: Our division chief is expecting her first child and some of the employees in the division would like to take up a collection to buy her a car seat. Is that okay?

A: Yes, employees may solicit and make voluntary contributions of nominal amounts for an appropriate gift to an official superior for special, infrequent occasions of personal significance. The birth of a child certainly qualifies as such an occasion. Contributions may not be solicited or made, however, to purchase a gift of $10 or less for Bosses’ Day or for other annually recurring occasions.

Q: The Deputy Associate Administrator of our office was recently promoted to a new position in a different office. Before he leaves to take the new position, we would like to collect money for an appropriate gift. May we do this?

A: Yes, you may collect voluntary contributions of nominal amounts for a gift for the Deputy Associate Administrator to recognize his promotion to a position outside of your supervisory chain because it is an occasion that terminates the superior-subordinate relationship. If the promotion did not terminate the superior-subordinate relationship, you would be prohibited from soliciting or making contributions for a gift. You could, however, take up a collection to buy refreshments to be consumed by everyone in the office to mark the occasion.

Q: Every year at our agency, employees are asked if they wish to contribute to an office social fund which we use to purchase gifts for our coworkers on special occasions, such as a wedding, an illness, or a death in the family. Is this an acceptable practice?

A: Yes, employees may solicit and make voluntary contributions of nominal amounts for such social funds. It is critical, however, that no one is pressured or coerced into contributing. Employees should be made aware that they may contribute as little as they choose or not at all. Keep in mind that because beneficiaries of this fund may include supervisors or other employees who earn more than some contributors to the fund, this fund may be used to purchase gifts only for special, infrequent occasions. The fund also may be used on an occasional basis to buy food and refreshments to be shared in the office among several employees.

Seeking Advice

Q: Anything else I need to be aware of?

A: If you have any questions regarding gifts, seek advice from your ethics official.

Note: The rules on gifts between employees are found in 5 C.F.R. part 2635, subpart C.

June 1998
Most executive branch employees know there are rules about whether or when they can give gifts to or accept gifts from their fellow employees. This pamphlet provides a brief overview of those gift rules by answering some of the most frequently asked questions concerning gifts between employees.

**WHAT IS A GIFT?**
Almost anything of monetary value, such as cash, meals, paperweights, trips, concert tickets, and services.

**WHAT IS NOT A GIFT?**
A cup of coffee, modest refreshments which are not part of a meal, and items of little intrinsic value such as greeting cards, plaques, and certificates intended solely for presentation. Car pooling and similar arrangements are also fine, provided there is a proportionate sharing of cost and effort involved.

**The General Prohibitions**

**Q:** What are the prohibitions on gifts between employees?

**A:** You may not give a gift to or contribute to a gift for your official superior. You also may not solicit a contribution from another employee for a gift for either your own or that employee’s official superior. Finally, you may not accept a gift from someone who is paid less than you, unless that person is not your subordinate and a personal relationship justifies the gift.

**WHO IS YOUR OFFICIAL SUPERIOR?**
Your immediate supervisor, anyone who has responsibility for your official performance evaluation, and anyone above your supervisor in the chain of command.

**Personal Relationships**

**Q:** I have worked with someone for many years and we have become great friends. In fact, we began our jobs on the same day. She is in a higher grade, but she is not my official superior. We are avid gift givers and exchange gifts all the time. Is that a problem?

**A:** No, that is not a problem. As noted above under the general prohibitions, employees generally may not accept gifts from other employees who receive less pay, unless, as in your case, the two are not in a superior-subordinate relationship and a personal relationship justifies the gift. Consequently, you and your friend are free to exchange gifts of any value at any time.

**Some Exceptions to the General Prohibitions**

**The $10 Rule**

**Q:** My supervisor and I have developed a good working relationship over the years. Are there any gift-giving exceptions that would permit me to give him a gift on, let’s say, his birthday or Bosses’ Day?

**A:** Yes. There is an exception that allows you to give and your supervisor to accept a gift, other than cash, with a market value of $10 or less on an occasional basis. This includes occasions when gifts are traditionally given such as birthdays, Bosses’ Day, or other annually occurring holidays.

**WHAT IS MARKET VALUE?**
Market value is the retail price that you, the recipient of the gift, would have to pay to purchase it. If you cannot readily determine the retail value of a gift, you may estimate its value by reference to the retail cost of items of similar quality. If a ticket entitles you to food, refreshments, entertainment, or any other benefit, the market value is the face value printed on the ticket.

**Q:** One of my colleagues and I share office space. We are the same grade level, but she makes more money than I do. While I can’t really say we are “friends,” we have a congenial relationship. I’d like to give her a gift on her birthday. May I give her a present, and is there a dollar limit on the gift she may accept?

**A:** Yes, you may give your colleague a birthday present. However, she may only accept a gift from you that is valued at $10 or less because even though she is not your superior, you receive less pay than she does, and there does not appear to be a personal relationship between the two of you that would otherwise justify the gift.

**Q:** Why a $10 limit?

**A:** Because it is high enough to permit an exchange of modest tokens between employees—such as cookies on holidays, or flowers and vegetables from home gardens—but low enough generally to discourage employees from purchasing gifts for their superiors.

**Food and Refreshments Shared in the Office**

**Q:** Once a month, my office has a lunch to celebrate the birthdays of everyone born in that month. Everyone but the birthday celebrants pitches in money for pizza or Chinese food, or we organize a potluck. Some of the beneficiaries are supervisors. Is this okay?

**A:** Yes, provided that these events take place in the office and all contributions are voluntary.