Quick Guide to Parties and Gift-Giving

OCC offers the following reminders regarding the Standards of Conduct applicable to gift-giving and merry-making.

General Gift Rule:
Federal employees must not accept gifts offered because of their official positions or offered by a “prohibited source,” unless an exception applies. To avoid ethics concerns, apply these rules to gifts from all but your closest friends and family.

Exceptions:
Federal employees may not accept gifts from contractors and contractor personnel, including attendance at parties, open houses, and receptions, unless one of the following exceptions or exclusions applies:

1. De minimus Gift: Federal employees may accept gifts (other than cash) not exceeding $20, as long as the total amount of gifts that the employee accepts from that source does not exceed $50 for the year.

2. Personal Gift: Federal employees may accept gifts, even from a contractor employee, that are based on a bona fide personal relationship. (Such personal gifts are actually paid for by the contractor employee rather than the contractor.) Also, a Federal employee may accompany their contractor employee spouse to the contractor's holiday party since the invitation is to their spouse, and not to the Federal employee because of his or her position.

3. Widely-Attended Gathering: Federal employees may generally attend an open-house or reception, and accept any gift of refreshments if its ethics counselor determines in writing that it is in the agency's interest that the employee attend. If no such determination has been made, the other gift exceptions still apply.

4. Open to the Public: Federal employees may accept invitations (even from contractors) that are open to the public, all Government employees, or to a group defined in a manner that does not discriminate among Federal employees based on position or pay.

5. Gifts unrelated to Federal employment: Federal employees may accept invitations offered to a group or class that is not related to Government employment. For example, you may attend if the building owner where your office is located throws a reception for all of the tenants of the building.

6. Modest Items of Food and Refreshments: Federal employees may accept food items consisting of soft drinks, coffee, pastries, or similar non-alcoholic refreshments not constituting a meal since they are not considered to be a gift.

Gifts between Federal Employees:
Supervisors may not accept gifts from subordinates or Federal employees who receive less pay, unless one of the following exceptions applies:

1. Supervisors may accept gifts (other than cash) of $10 or less from a subordinate, on an occasional basis (such as a holiday party).

2. Supervisors may accept food and refreshments shared in the office and may share in the expenses of an office party.

3. A supervisor may accept personal hospitality provided by a subordinate at the subordinate's residence.

4. A supervisor entertaining subordinates may receive a hospitality gift of the type and value customarily given on such an occasion.

5. On special, infrequent occasions, such as a marriage, adoption of a child, or retirement of the supervisor.

Please note, there are no legal restrictions on gifts given to peers or subordinates, however, common sense (and good taste) should apply.

All gifts must be given freely, without pressure or coercion.
Gifts and Gift Exchanges That Include Contractor Personnel:

Many contractors have rules of ethics or business practices that are similar to the Federal rules. Take these rules into consideration before offering contractor employees gifts or opportunities that they may not be able to accept. Examples:

1. Office Party (non-duty time): Your office is having a holiday party during the non-duty lunch hour or after work and asks each person attending to pay $5 to cover refreshments and to bring a pot luck dish or dessert. Contractor employees may attend, pay $5, and bring food because these contributions are not considered to be gifts, but a fair share contribution to the refreshments. Remember, contributions must be voluntary, so soliciting must be done with care to ensure there is no pressure. Also, ensure this is non-duty time for the contractor employees as well.

2. Office Party (duty time): What about a party that cuts into duty hours? The Government usually may not reimburse a contractor for its employees’ morale and welfare expenses. The contractor has to decide whether to let its employees attend and forego payment for their time, or insist that they continue to work. If contractor employees are allowed to attend, the contractor must also decide whether it would pay its employees for that time, even though the Government would not reimburse it. The contractor does not have to pay its employees for that time. Consult the contracting officer and ethics counselor before inviting contractor employees to a function during their duty hours.

3. Exchange of Gifts: Your office, including the contractor employees, wants to exchange gifts at the party. Because it is difficult to have truly anonymous gift exchanges, you will want to restrict the value of such “random or exchanged” gifts to the authorized $10.00 or less if personnel receiving different pay levels are involved. Gift exchanges in which employees purchase gifts for other employees whose names they drew at random are more troublesome. Where contractor personnel are involved, a $20 per contractor company limit applies. Where an employee may buy a gift for a superior, the $10 limit is prudent. Some organizations consider such a gift exchange to be exchanges of items of equivalent value, and that everyone participating is paying market value for the items, so no one is receiving a gift. Only in that case would the suggested monetary limits not apply. The best practice is to limit gifts to $10 or less when involving more than a very small group of equivalently paid co-workers.

4. Gift to Supervisor: Your office wants to give the office supervisor a gift. However, you can’t solicit other employees for contributions to a group gift. (Group gifts are permitted only for special, infrequent events such as retirements.) As for contractor employees, you can’t ask them to contribute anything, as it is considered soliciting a gift from a prohibited source. Even if contractor employees volunteer to contribute cash, it may not be accepted because the $20 exception does not apply to cash.

Other Important Information:

1. Soliciting: We may not solicit outside sources for contributions to a government agency related party. This includes funds, food, and other items.

2. Use of appropriated funds: Generally office parties are unofficial events, and we may not use appropriated funds to pay for them.

3. Door prizes and drawings: Beware that door prizes or drawings could involve gambling, which would require compliance with state statutes and Federal regulations. With narrow exceptions, Federal regulations prohibit gambling on Federal property or while in a duty status. GSA regulations ban gambling in GSA owned or controlled buildings.

4. Greeting cards: We may not use appropriated funds to purchase and send greeting cards.

5. Although holiday parties may occur away from the workplace and in an informal setting, employees are still expected to conduct themselves in a professional manner, and prevent inappropriate or harassing conduct.

This document is only a summary of the ethics rules. For a more complete guide, please see https://occ.larc.nasa.gov/files/2014/12/20J7418.pdf. If you have any questions, please contact one of our ethics counselors, Ken Goetzke, Pam Boerner, or Hannah Kohler.

Season’s Greetings from your friends at OCC!