

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 2.03

GIFT POLICY

Chapter: 2.0 – Ethics & Conflict of Interest Policies

Section: 2.03 – Gift Policy

Effective Date: November 17, 2010

1.0 PURPOSE

1.1 To establish a policy regarding the acceptance of gifts by BOARD Members, officers and employees of the CORPORATION who are required to file a Statement of Economic Interest (FPPC Form 700) with the City of San Diego's City Clerk.

2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD of the CORPORATION. This Policy may only be amended by approval of the BOARD.

3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

4.0 POLICY

4.1 CORPORATE BOARD Members, officers and employees may not accept any gifts greater than \$49 from the same source within the same calendar year. This policy applies in conjunction with all applicable state or local gift laws and regulations. Any more restrictive requirements of applicable state or local gift laws supersede any less restrictive provisions of this policy. In addition, compliance with this policy in no way provides immunity from state or local enforcement of applicable state or local gift laws, violations of which can result in administrative fines or criminal prosecution. All gifts sent to BOARD Members, officers and employees greater than \$49 shall be returned immediately with a letter stating our policy as further described in subsection 5.2 of this BOARD POLICY. Attendance at any events (groundbreakings, grand openings, etc.) held by developers or private companies doing business with the CORPORATION must be reported, reviewed, and

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 2.03

GIFT POLICY

approved by the PRESIDENT or the Chairman of the Board prior to the event. For approved events the CORPORATION will reimburse the per person cost of those authorized to attend on the CORPORATION's behalf. BOARD Members, officers and employees attendance at public agency-sponsored events will be reported in accordance with the disclosure provisions according contained in the CORPORATION Conflict of Interest Code (Board Policy 2.01) and as required pursuant to the Political Reform Act (Cal. Gov. Code § 81000 et seq.). This Board Policy is intended to reflect local and state gift laws which are subject to change; the most current gift rules are available in fact sheets available on the Ethics Commission's website at

<http://www.sandiego.gov/ethics/pdf/gifts100312.pdf> ; and violations of local and/or state gift laws can result in administrative fines or criminal prosecution.

4.2 Refer all questions regarding this policy to the PRESIDENT or his/her designee. Refer all questions regarding applicable local and/or state gift laws to the City of San Diego Ethics Commission.

4.3 All BOARD Members, officers and employees are expected to comply with the disclosure and reporting guidelines established by the Political Reform Act, enforced by the Fair Political Practices Commission, and the City of San Diego Ethics Ordinance (San Diego Municipal Code § 27.3501 et seq.), enforced by the San Diego Ethics Commission. These steps are necessary and important to ensure the highest level of transparency and public trust for the CORPORATION.

5.0 DEFINITIONS

5.1 State and local laws define a "gift" as any payment or other personal benefit received by an individual, unless such person provides something of equal or greater value in return. Gifts include rebates or discounts in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to an individual's public official status. Gifts include, but are not limited to, meals, receptions, travel, hotel stays, and tickets to sporting and entertainment events.

5.2 The term "gift," for purposes of this policy, does not include:

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 2.03

GIFT POLICY

- 5.2.1 Anything which would otherwise be considered a gift, but which is returned unused to the donor or the donor's agent or intermediary within thirty (30) calendar days.
- 5.2.2 A rebate or discount in the price of anything of value which is made in the regular course of business to members of the public.
- 5.2.3 Informational material provided to a BOARD member, officer or employee to assist in the performance of his or her official duties, including, but not limited to, books, reports, pamphlets, calendars, periodicals or free or discounted admission to informational conferences or seminars. On-site demonstrations, tours, and inspections designed specifically for public officials are considered informational material. Informational material may also include scale models, pictorial representations, maps, and other such items. The burden shall be on the recipient to demonstrate that the item is informational material. No payment for travel or reimbursement for any expenses shall be deemed informational material.
- 5.2.4 Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or intermediary for any person not covered by this paragraph.
- 5.2.5 Hospitality, including food, beverages, or occasional lodging, provided to a BOARD member, officer or employee by an individual in his or her home when the individual or a member of the individual's immediate family is present.
- 5.2.6 Any devise, bequest, or inheritance.
- 5.2.7 Personalized plaques and trophies with an individual value of less than two hundred fifty dollars (\$250).
- 5.2.8 Gifts exchanged with an individual, other than any individual who engages in lobbying activities on behalf of a client or an organization lobbyist, on holidays, birthdays, or similar occasions provided that the presents exchanged are not substantially disproportionate in value.

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 2.03

GIFT POLICY

- 5.2.9 Gifts provided directly to immediate family members unless the BOARD member, officer, or employee receives a direct benefit from the gift or exercises discretion and control over the use or disposition of the gift.
- 5.2.10 Passes or tickets, which provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that the employee does not use and does not give to another person.
- 5.2.11 Passes or tickets to attend fund-raisers for campaign committees or candidates, and tickets to fund-raisers for organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code so long as only one ticket is provided and that ticket was received directly from the campaign committee, candidate, or nonprofit entity itself.
- 5.2.12 Admission, food, beverages, and similar non-cash nominal benefits provided to the BOARD member, officer or employee at an event at which he or she gives a speech, participates in a panel or seminar, or provides a similar service, provided however, that such food and beverages are consumed on the day of participation.
- 5.2.13 Travel expenses for travel within California provided directly in connection with an event at which an employee or board member gives a speech, participates in a panel or seminar, or provides a similar service (such travel expenses may still be required to be disclosed on an individual's Statement of Economic Interests (FPPC form 700) though they are not subject to the limitation on the value of gifts).
- 5.2.14 Campaign contributions, including rebates or discounts received in connection with campaign activities, although such campaign contributions must be reported in the time and manner required by the Political Reform Act.
- 5.2.15 Leave credits, including vacation, sick leave, or compensatory time off, donated to an official in accordance with a bona fide catastrophic or similar emergency leave program established by the CORPORATION and available to all employees in the same job classification or position. This shall not include donations of cash.
- 5.2.16 Payments received under a government agency program or a program established

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 2.03

GIFT POLICY

by a bona fide charitable organization exempt from taxation under section 501 (c)(3) of the Internal Revenue Code designed to provide disaster relief or food, shelter, or similar assistance to qualified recipients if such payments are available to members of the public without regard to the individual's status as a BOARD member, officer or employee of the CORPORATION.

- 5.2.16 Items of value (e.g., meals, jewelry) that you receive from another person in a bona fide dating relationship.
- 5.2.17 Certain wedding gifts (Individuals are encouraged to seek the assistance of the San Diego Ethics Commission in determining the reportability of wedding gifts).
- 5.2.18 Certain prizes or awards received in a bona fide competition not related to the recipient's status as an employee of the CORPORATION (However, such awards may have to be disclosed as income on a recipient's FPPC Form 700).
- 5.2.19 A charitable donation made in your name for which you do not take a tax deduction. Note, however, that if someone makes a charitable donation valued at \$5,000 or more at the request of an elected City Official, that donation (or any other payments totaling \$5,000 made at the behest of an elected City Official for a legislative, governmental, or charitable purpose) must be reported to the City Clerk

6.0 GENERAL RULES AND PROCEDURES

- 6.1 BOARD members, officers and employees may not accept any gift with the understanding that the recipient will perform an official act in exchange for accepting such a gift.
- 6.2 All gifts given, donated, or otherwise provided to employees that exceed the limit of this policy, must be returned, unused, within thirty (30) calendar days of their receipt with a letter stating this BOARD gift policy, or donated to the City or any other public agency, or donated to a 501 (c)(3) charitable organization (without taking a tax write-off for the donation). Except for tickets and invitations (see item j above), discarding a gift does not negate an individual's acceptance of a gift. Similarly, accepting a gift and giving it to any other individual or entity does not negate receipt of a gift.

7.0 Refer all questions regarding this policy to the PRESIDENT or his/her designee.