

**POLICY NUMBER:** 2.00.102**EFFECTIVE DATE:** 6/20/19**TITLE:** Gifts**SUPERSEDES:****BOARD ADOPTION:** 6/20/19**REVIEWED:**

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**PURPOSE**

Every Washington State Investment Board (WSIB) member and employee has a fundamental responsibility to the state of Washington and fund beneficiaries to act in a manner that promotes public trust. The receipt of Gifts can impair the integrity, independence, or impartiality of the recipient or create an appearance of obligation. Board members and employees are restricted from accepting Gifts except as allowed by state ethics law and this Policy. Board members and employees should consider declining otherwise permissible Gifts if they believe that a reasonable person with knowledge of the relevant facts would question their integrity or impartiality as a result of accepting the Gift. It is expected that all Board members and employees will be familiar and comply with this policy.

**Definitions**

Aggregate Value means the total money value of a Gift or Gifts received from a single source in a calendar year or of a single Gift received from multiple sources. The value of Gifts given to family members are attributable to the Board member or employee for the purpose of this policy, unless an independent business, family or social relationship exists between the donor and the family member.

Board Member means the voting and non-voting members of the WSIB.

Contractual Activities means any involvement in a procurement, contract, or investment decision, including recommending, advising, monitoring, supervising, investigating, reviewing, voting, making or approving final decisions, conducting contract compliance or operational due diligence, or other similar activities. When the Board approves or considers the acquisition of goods, services, or investments, all Board members participate in that process.

Employee means all employees of the WSIB, including the Executive Director unless otherwise stated.

Honorarium means money or thing of value offered to a Board member or state employee for a speech, appearance, article, or similar item or activity in connection with the state officer's or state employee's official role.

Gift means anything of economic value given to the recipient when consideration of equivalent value is not provided in return.

Thing of Economic Value, in addition to its ordinary meaning, includes the following:

1. A loan, property interest, interest in a contract, chose in action, employment or other arrangement involving a right to compensation.
2. An option, irrespective of the conditions to the exercise of such option.

3. A promise or undertaking for the present or future delivery or procurement.
4. A favor that provides an economic benefit to a Board member, employee, spouse, child or dependent.

## **POLICY**

As a paramount duty, Board members and employees are prohibited from seeking or accepting, directly or indirectly, Gifts. This prohibition extends to Things of Economic Value, including favors or gratuities, if it could reasonably be expected to, or appear to, influence or reward an action or inaction. The prohibition on receipt of certain Gifts also applies to family members unless an independent business or social relationship exists between the donor and the family member.

State law and this Policy provide that certain types of exchanges are not Gifts due to the personal or business relationship between the donor and recipient. Other types of exchanges, although a Gift, do not influence the recipient, and state law allows a recipient to accept such items. Individuals involved or who may be involved in Contractual Activities, however, are strictly prohibited from accepting all but a few types of items. Contractual Activities include recommending, advising, monitoring, supervising, voting, or approving contracts, procurements and investments as well as compliance and due diligence activities.

If a Board member or employee receives a Gift, that cannot be accepted, the recipient must, return the Gift to the donor or donate it to charity within 30 days of receipt. Gifts returned or donated must be reported for the purpose of monitoring compliance. Documentation of the return or donation is required.

If acceptance of a Gift is allowed, a Board member or employee must still evaluate the propriety of accepting the Gift. Board members and employees must be sensitive to the source and value of the Gift, the frequency of Gifts from one source, the possible motives of the giver, and the perception of other regarding the Gift. No offsetting public good is achieved by creating an appearance of impropriety. If a person's integrity, independence, and impartiality could be called into question, a Gift should be rejected. Board members and employees should consult the WSIB's Ethics Adviser if they are uncertain about whether to accept a Gift.

### **1. Acceptance of Items Not Considered a Gift**

Certain items are presumed to not influence the recipient and state law allows Board members and employees to accept such items. The following items may be accepted and do not need to be reported as a Gift to the WSIB:

- A. Items from family members or friends where it is clear beyond a reasonable doubt that the Gift was not made as part of any design to gain or maintain influence in the Board or agency.
- B. Customary items related to the Board member or employee's outside business and unrelated to the performance of official duties.
- C. Items exchanged or a social event hosted among coworkers.
- D. Payments for allowable travel expenses incurred in connection with a speech, presentation, or appearance in an official capacity when the provider does not provide nor seeks to provide goods or services to the Board.
- E. Items a Board member or state employee is authorized by law to accept, such as Gifts associated with the Combined Fund Drive, and not addressed by this policy.

- F. Payment of enrollment or course fees and reasonable travel expenses incurred to attend a seminar or educational program sponsored by a nonprofit professional, educational, or trade association, or charitable institution as long as the payer does not provide nor seek to provide goods or services to the Board.
  - G. Campaign contributions properly reported under chapter 42.17A RCW.
  - H. Discounts available to an individual as a member of an employee group, occupation, or similar broad-based group.
  - I. Customary loans from banks and other financial institutions, such as loans to purchase housing or motor vehicles. Loans and other transactions on terms and conditions not generally available to the public are prohibited.
  - J. Registration fees, materials, meals or beverages by event sponsors when attending training, meetings or conferences in return for fees paid by the WSIB under a contract or agreement. This subsection applies only to group events attended by other clients, partners, or board members of the sponsoring organization when the fees, materials, and meals are provided to attendees on a similar basis.
  - K. Unsolicited token beverages such as coffee, tea, water or juice, generally made available free of charge to the provider's employees, customers and/or visitors.
2. Items that May be Accepted If No Involvement in Contractual Activities

Board members and employees may accept only the following items if the Board member or employee is not involved in Contractual Activities with the person or entity providing the Gift:

- A. Unsolicited flowers, plants, and floral arrangements.
- B. Unsolicited advertising or promotional items of nominal value, such as pens and note pads.
- C. Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item.
- D. Unsolicited items received for the purpose of evaluation or review, if the employee or Board member has no personal beneficial interest in the eventual use or acquisition of the item by the WSIB.
- E. Informational material, publications, or subscriptions related to the recipient's performance of official duties.
- F. Unsolicited token beverage items, such as water, coffee, tea or juice, which are generally made available by the business, free of charge, to the business' employees, customers, or visitors.
- G. Food and beverages consumed at hosted receptions when attendance relates to the Board member's or employee's official duties. A hosted reception is a social event involving a diverse group of people, some of who provide goods and services to the WSIB and some who do not. It does not involve a sit-down meal.
- H. Admission to and the cost of food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization.
- I. Food and beverage on infrequent occasions in the ordinary course of meals when attendance by the Board member or employee is related to the performance of official duties.
- J. Unsolicited Gifts from dignitaries from another state or a foreign country that are intended to be personal in nature.

- K. Board members and employees may accept entertainment when such entertainment is part of the event's activities and is open to all those who are attending the event (although it is not necessary that all participants do attend). An employee or Board member may not accept such entertainment (i) if provided by a person or entity that provides or could provide goods or services to the WSIB; or (ii) if the entertainment is being provided to influence or reward the employee or Board member or to obtain or develop business with the Board.
- L. Other Things of Economic Value if under \$50 from a single source in a calendar year.

The following items must be reported as a Gift in accordance with the Reporting requirements of this Policy (even if returned or donated):

- Unsolicited flowers, plants, and floral arrangements.
- Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item.
- Unsolicited Gifts from dignitaries from another state or a foreign country that are intended to be personal in nature.
- Other Things of Economic Value not otherwise identified above.

### 3. Items that May be Accepted If Involved in Contractual Activities

A Board member or employee may only accept the items listed below when the Board member or employee is involved in Contractual Activities and the Gift is offered by a person or entity that does or could do business with the WSIB:

- A. Unsolicited advertising or promotional items of nominal value, such as pens and note pads.
- B. Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item.
- C. Unsolicited items received for the purpose of evaluation or review, if the employee or Board member has no personal beneficial interest in the eventual use or acquisition of the item by the WSIB. It includes nominal items received for purposes of evaluating an investment or items received for on-going diligence in return for fees paid by the WSIB such as agricultural products.
- D. Informational material, publications, or subscriptions related to the recipient's performance of official duties.
- E. Unsolicited token beverage items, such as water, coffee, tea, or juice, which are generally made available by the business, free of charge, to the business' employees, customers, or visitors.
- F. Food and beverages consumed at hosted receptions where attendance is related to the employee's or Board member's official duties. A hosted reception is a social event involving a diverse group of people. It does not involve a sit-down meal. It does not include an event attended only by Board members or employees.
- G. A dinner sponsored by a vendor at a governmental or non-profit conference when the sponsored event is part of the official conference program and all conference attendees have an equal opportunity to attend the event. This does not apply to separately held events that are incidental to the official conference, such as hospitality rooms.
- H. Admission to and the cost of food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization.

Entertainment may not be accepted from a sponsor that provides or may provide goods or services to the WSIB.

The following items must be reported in accordance with the Reporting requirements of this Policy (even if returned or donated):

- Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item.
- Other Things of Economic Value not otherwise identified in the above list.

#### 4. Associations

Associations often offer complementary meals to attendees. Such complementary meals can be a Gift if the association is comprised primarily of persons or entities providing or seeking to provide goods, services or investments to the WSIB.

A Board member or employee may accept meals from an Association if all of the following conditions are met:

- A. The association itself does not seek to provide goods or services to the Board.
- B. Persons within the association who seek to provide goods and services to the Board
  - i. Comprise less than 10 percent of the membership of the association, and
  - ii. Contribute less than 10 percent of the association funds
- C. The meals and beverages served in connection with the event is sponsored or furnished by the association as a whole and not by, or primarily by, persons seeking to provide goods or services to the Board.

#### 5. Honorarium

In no event may a Board member or employee accept an honorarium if the person or entity offering the honorarium:

- A. Has, will, or is reasonably expected to seek contractual relations with the WSIB.
- B. Will seek or oppose, or is reasonably likely to seek or oppose enactment of legislation or adoption of administrative rules or actions or policy changes by or affecting the WSIB.

A Board member or employee may accept an honorarium only if all of the following are met:

- A. The Board member obtains the prior approval of the Board Chair, sent through the Executive Director. If the Executive Director seeks to accept an honorarium, prior approval of the Board Chair must be obtained. If an employee, prior approval of the Executive Director must be obtained.
- B. The Board member or employee will not appear in their official capacity nor engage in any activity associated with the WSIB's responsibilities, policies, or programs.
- C. The honorarium is not being offered because of the Board member's or employee's official position in the WSIB.
- D. The topic is such that it does not appear the employee or Board member could have used information acquired in the course of membership or employment with the WSIB.

- E. The honorarium is not being offered by a person or entity doing business with or reasonably be expected to seek business with the WSIB.
- F. No use of government time or resources was used by the Board member or employee to produce the materials or prepare for the article, appearance, or item for which the honorarium is being given.
- G. There is no expense to the WSIB.

**Reporting**

All Board members and employees shall report Gifts identified as reportable in this Policy within five (5) business days of receipt as directed by the Executive Director. Compliance shall report annually to the Audit Committee, providing analytics on gift reporting.

**POLICY REVIEW**

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

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Policy Adopted 6/20/19