



City of Phoenix

ADMINISTRATIVE REGULATION	A.R. NUMBER AR 2.93 Revised
	FUNCTION Human Resources and Payroll Page 1 of 9
SUBJECT CITY EMPLOYEE GIFT POLICY	EFFECTIVE DATE November 20, 2017
	REVIEW DATE

Summary of Changes

This Administrative Regulation (AR) was last revised in September 1996. This AR has been revised to incorporate changes made to the City of Phoenix Ethics Policy by the City Council at its February 15, 2017 meeting.

I. PURPOSE

To give direction, provide guidance, and assist City employees and volunteers to comply with the City ethics and gift policies and avoid conflicts of interest.

II. DEFINITIONS

- A. **City Business** – for purposes of this AR and the Employee and Volunteer Ethics Handbook only, means an activity on behalf of or at the request of the City of Phoenix or an activity that directly benefits the City of Phoenix.
- B. **Community Event** – means an event, activity, or function located in Arizona and sponsored by the City of Phoenix, a non-profit organization, a professional association, a business association, a charitable organization, a cultural/arts organization, or a community organization.
- C. **Compensation** – means money, a tangible thing of value, or a financial benefit.
- D. **Conflict of Interest** – means an employee’s use of their position for direct or indirect monetary gain or benefit.
- E. **Employee** – means a person who is not an elected official, Board or Commission member, or City of Phoenix Municipal Court Judge, and who is employed full-time or part-time by the City of Phoenix. For the sole purpose of this AR, the term “employee” also includes City volunteers.
- F. **Gift** – means a tangible thing of value given to an employee in the course and scope of their duties other than or in addition to their regular compensation. Gift does not mean:
 - 1. A political campaign contribution as permitted by law;

2. Compensation received by an employee from the person's relative or partner;
 3. Compensation in the form of a personalized plaque or similar personalized award received by an employee for the person's service to the City of Phoenix consistent with the duties and responsibilities of the person's position or office;
 4. Compensation in the form of admission, food, beverages, transportation, or accommodations received by an employee in their capacity as a City of Phoenix representative and related to City business;
 5. Compensation associated with a relative's or partner's elective office; or
 6. Compensation in the form of admission, food, or beverages received by an employee to attend a community event.
- G. **Honoraria** – means a gift or money received by an employee for participating in a speaking engagement, lecture, conference, or a panel while representing the City.
- H. **Partner** – means a person in a domestic partnership as defined in Phoenix City Code (P.C.C.) §18-401.
- I. **Professional Organization** – means an organization that seeks to promote a particular profession or the interests of individuals engaged in a profession.
- J. **Relative** – means the spouse, child, grandchild, parent, grandparent, brother or sister of the whole or half blood and their spouse, and the parent, brother, sister, or child of a spouse, as defined in P.C.C. § 2-52(A).
- K. **Special Occasion** – means an engagement or wedding involving an employee, an employee's relative, partner, or relative of a partner; the birth or adoption of a child; or the death of a relative, partner, or relative of a partner.
- L. **Third Party** – means any person or entity, public or private, other than the City or the employee.
- M. **Undue Influence** – means when a person causes an employee to improperly change an act or decision. This is especially true when the improper change is not in the best interest of the City.
- N. **Vendor** – means any individual or organization whose primary business is to sell goods or services.
- O. **Volunteer** – means a person, or the person's relative or partner, other than a Board or Commission member, who provides their services to the City of Phoenix without any express or implied promise of compensation and serves as a hearing officer, intern, extern, contractor, vendor, or otherwise serves in the administrative offices of an elected official, the City Manager, or a City of Phoenix Department or Function Head. In this AR, the term "employee" also includes City volunteers.
- Board and Commission members are covered under P.C.C. § 2-52.
 - A Block Watch Captain is not a volunteer for purposes of this policy.

III. POLICY

To uphold the public's trust and promote transparency in City government, an employee must:

- conduct all aspects of City business in an honest, professional, and legal manner;
- display personal integrity by exercising good judgment and common sense in their decision-making and dealings with others;
- comply with City policies, the City Code, and all applicable department policies;
- adhere to City values;
- avoid situations that create an actual or perceived conflict between the employee's personal interest and those of the organization;
- ask for help when uncertain if an action or circumstance violates City policy; and
- remember that a City employee is a representative of the City in all activities during their work hours, but may be considered to be representing the City while off duty if they:
 - identify themselves as a City employee verbally, in writing, or in other ways where it is made clear that the person is an employee;
 - wear a City badge, uniform, or wear or present other attire or merchandise that identifies them as a City employee; or
 - take an action that leads a reasonable person to believe that a person is a City employee.

A. Prohibited Gifts

A gift in any amount received or accepted by an employee is prohibited if the gift creates the appearance of undue influence or if the gift creates a conflict of interest.

B. Permissible Gifts and Disclosure

A gift with a known or reasonably estimated fair market value of \$50.00 or less received or accepted by an employee is permissible if the gift is not otherwise prohibited by law and is not a prohibited gift as discussed in Section III. A. above. A gift with a known or reasonably estimated fair market value of \$50.00 or less does not need to be disclosed.

A gift with a known or reasonably estimated fair market value greater than \$50.00 received or accepted by an employee is permissible if the gift is not otherwise prohibited by law and is not a prohibited gift as discussed in Section III. A. above. An employee who receives or accepts a gift with a known or reasonably estimated fair market value greater than \$50.00 must disclose it as required below.

A gift with an unknown value that is received or accepted by an employee must be disclosed as "Unknown" if a reasonable estimate of the gift's fair market value is greater than \$50.00.

C. Employee Responsibilities

Employees must:

1. Discuss and obtain approval from their supervisor **prior to** accepting a gift of any value. If that is not possible, the employee should discuss the gift with their supervisor no later than one business day after receipt of the gift.

2. Not use, consume, distribute, or utilize any gift prior to discussing the gift with their supervisor and receiving supervisor approval to do so.
3. Submit a disclosure form if they accept a gift with a value of more than \$50.00 or if the gift has an unknown value, as required by this policy.

D. Supervisor Responsibilities

All supervisors must:

1. Determine whether accepting or keeping a gift by an employee creates the appearance of undue influence or creates a conflict of interest. If it does, the offer must be declined and the gift may not be accepted or kept. If the gift has already been received, it should either be returned or, if that is not practicable, donated or otherwise disposed.
2. Consult with their Department Ethics Representative, Department Director, Function Head, or the City Manager's Office prior to allowing an employee to accept a gift, as described in Section III. C. 1.
3. If an employee is allowed to accept a gift with a value of more than \$50.00 or of unknown value, ensure that the employee submits a disclosure form as required by this policy.

E. Gift Disclosure Requirements

If a gift must be disclosed by an employee, the employee must file a disclosure form with the City Clerk within five business days of receiving the gift.

The City Clerk shall post the disclosure form and maintain the posting of each disclosure form on the City of Phoenix website.

A copy of the disclosure form is attached to this AR as Exhibit A. A copy of the disclosure form is also available at phoenix.gov/ethics or hr.phoenix.gov.

F. Special Occasion Waiver

An employee is not required to obtain a waiver to accept normal and customary gifts such as flowers, food, or donations to charitable organizations made by others to recognize the special occasions listed in Section II. K. However, for other gifts that may violate this AR, the City's gift policy, or the City's ethics policy, an employee may request a waiver from the City Manager's Office or designee to accept a gift for the special occasions listed in Section II. K. An employee who receives a waiver is not required to disclose the gift, but must file the waiver form with the City Clerk within five days of approval. An employee who seeks a special occasion waiver should contact their Department's Ethics Representative for assistance.

IV. EXAMPLES

Because of the size and complexity of the City, it is impossible to list every circumstance that may occur for every employee. There is no way to develop a comprehensive, detailed set of rules to cover every situation. The following examples are some common situations that may arise that may create the appearance of undue influence or a conflict of interest.

A. Gifts from Contractors, Consultants, or Vendors

An employee that receives a gift from a contractor, consultant, or vendor that is not otherwise impermissible should share or distribute the gift amongst their division or department. Examples of such gifts include cookies, fruit bouquets, and candy. Gifts of alcohol, money (cash, check, money order), gift certificates, or gift cards must not be accepted or used by an employee under any circumstances.

A greeting card is not a gift and may be kept by the employee who receives it.

B. Tips from Members of the Public

An employee may not accept or keep tips from members of the public.

C. Tickets or Admission to Entertainment or Sports/Athletic Events

An employee may attend entertainment or sports/athletic events as a representative of the City of Phoenix if their attendance is within the course and scope of their job duties and their attendance has been approved by the City Manager or designee.

An employee may accept or keep tickets to entertainment or sports/athletic events when the tickets have no monetary value or were made available to a large group of City employees; or there is an agreement or other contractual arrangement between the City and the event organizer. An employee should not accept special entrance to entertainment or sports/athletic events **unless** the entrance has no monetary value and is equally available to all members of the public or all individuals present at the event, or there is an agreement or other contractual arrangement between the City and the event organizer.

An employee should not accept or keep any other entertainment or sports/athletic event tickets under any circumstances.

The City Manager or designee may grant exceptions for employees who attend entertainment or athletic events as part of their job duties.

If an employee is offered tickets as a gift, they may not offer to purchase the tickets that were offered as a gift from the person or organization that initially offered the tickets. An employee may still independently purchase tickets to the same event by using the standard ticket purchasing method for that venue.

An employee may not accept tickets and then make a charitable donation for the value of the tickets. Additionally, employees may not accept the tickets and offer to reimburse the donor money for the tickets.

D. Tickets, Discounts, or Gift Cards for Travel

An employee must not accept any kind of ticket, gift card, or discount from a “common carrier” that may be used for travel or to purchase travel at a discount. Examples of “common carriers” include but are not limited to railroads, airlines, and taxi companies, including Uber and Lyft.

E. Donations for Charitable Causes

An employee may accept items donated for a City-sponsored charitable purpose (e.g., Community Service Fund Drive) on behalf of their department unless it creates the appearance of undue influence. Within one business day, the employee must notify their supervisor of the donation. Within five business days, the charitable donation must be given to the employee(s) designated by the department or division as responsible for accepting these donations or coordinating the charitable event.

An employee may not accept items donated for charitable purposes that are not City-sponsored or affiliated when acting in their role as a City employee. For example, an employee may accept a donation for the Community Service Fund Drive but may not accept a donation intended for a church or a private charity when acting in their role as a City employee.

F. Refreshments

An employee may accept food or refreshments that are generally available to meeting attendees, such as a sandwich or juice and bagels, on infrequent occasions in the ordinary course of a breakfast, lunch, or dinner meeting or other meeting where an employee may properly be in attendance.

An employee should avoid accepting offers of food or refreshments that create the appearance of undue influence or create a conflict of interest. For example, an employee should not accept refreshments from a current vendor or a vendor who is in the bidding process for a contract. However, it may be appropriate for an employee to accept food or refreshments at an event that celebrates the completion of a project, subject to department approval.

G. Community Events and Incidental Items

An employee may attend and consume refreshments offered at community events as a guest of a third party if the employees’ participation is a part of or relates to their job duties. An employee may accept incidental items, such as coffee mugs, t-shirts, or pens, only if such items are offered to all attendees. If the value of incidental items exceeds \$50.00, the items must be disclosed pursuant to Section III. E.

H. City-Sponsored Events

An employee may occasionally be asked to attend City-sponsored events, such as the Dr. Martin Luther King Jr. Day Breakfast and the Mayor’s State of the City speech as a guest of a third party. An employee’s attendance at City-sponsored events under these circumstances is subject to the approval of the City Manager or designee.

I. Business Meals and Expenses

An employee may participate in periodic or rotating business functions hosted by other agencies at which a meal is served if the meeting is scheduled during a time of day when breakfast, lunch, or dinner occurs and the meal is generally available to all meeting attendees.

Under most circumstances, when acting in the course and scope of their duties, employees may not accept a “one-on-one” meal from a person outside the City, regardless of the cost of the meal. “One-on-one” meals include any situations where one or more persons outside the City host one or a very small number of employees with or without spouses or partners at a restaurant or private club where the meal is purportedly the reason for the individuals to meet at that time. “One-on-one” meals would also include a meal that occurs prior to, after, or during a break from a longer meeting or event.

An employee may not accept a meal or any refreshments from a vendor who contracts with the City or is looking to contract with the City if the employee is involved in the procurement process for the contract or vendor or administers or manages the contract, vendor, good, or service. An employee should not attend a dinner, sit at a sponsored table or attend a sponsored event as a guest of a vendor who contracts with the City or is looking to contract with the City if the employee is involved in the procurement process for the contract or vendor or administers or manages the contract, vendor, good, or service.

J. Employee Participation in Conferences, Events, or Activities

Travel, conferences, or training for employees that is funded by a third-party at no cost or at reduced cost to the City requires approval by an employee’s Department Director, Function Head, or the City Manager’s Office. The Department Director, Function Head, and/or the City Manager’s Office have sole discretion in making this decision.

An employee may participate in all events hosted by the conference organizers as part of the scheduled activities and paid admission if all attendees have a similar opportunity to participate in the event and it does not create a conflict of interest.

An employee may participate in a dinner hosted and paid for by a third-party at a conference for City Business as long as all attendees have a similar opportunity to participate in the event and attendance at the dinner does not create, or appear to create, a conflict of interest. Optional activities not included with the conference registration, such as golf or tickets to an entertainment event, cannot be accepted under any circumstances.

Except for conference registration and travel-related costs described above, an employee may not accept payment or other honoraria when they speak or give a presentation as a City representative. Incidental items, such as coffee mugs, t-shirts, or pens, given to the employee for their participation are acceptable if accepting the items does not create a conflict of interest. If the value of these items exceeds \$50.00, they must be disclosed pursuant to Section III. E.

An employee attending a conference, event, or activity while representing the City must avoid any appearance of undue influence or a conflict of interest.

Please refer to [AR 3.41, "Business, Conference, and Training Travel and Related Expenses"](#) for additional information and procedures.

K. Raffles

With supervisory approval, an employee may accept complimentary prizes or raffle drawings issued at City-approved conferences, events, or activities, if the opportunity to win the prize or drawing is offered to all attendees. An employee's supervisor must approve the employee retaining the prize after it has been won. Anyone in the employee's chain of command can require the employee to decline or return the prize. An employee will be required to submit a disclosure form as required by this policy if they are approved to keep a prize with a value greater than \$50.00.

An employee may participate in raffles that require the employee to personally purchase a ticket at conferences, events, or activities if the opportunity to participate in the raffle is offered to all attendees. Because employees personally pay to enter these raffles, the prizes are not considered gifts; therefore, the employee need not submit a disclosure form regardless of the prize's value.

L. Attending a Business Conference as a Board Member while also a City Employee

An employee who attends conferences for City Business because they are a member of a City-affiliated Board (e.g., COPERS, PEHP/DCP) must comply with the rules for gifts and disclosures that apply to **both** City employees and Board and Commission members.

V. CITY ETHICS REPRESENTATIVES

The lead HR person for each department is designated to serve as the department's Ethics Representative. For departments that utilize the shared services model, the department's assigned HR Officer will serve as the designated Ethics Representative.

Ethics Representatives will serve as the department's ultimate authority to:

- Determine whether a gift must be disclosed;
- Receive disputes related to gifts;
- Maintain records of the resolution of any dispute about a gift, including the name of the employee, the gift in question, the reason for the dispute, the decision, and the reasoning for the decision;
- Make recommendations to the City Manager's Office regarding the ethics and gift policy and conflicts of interest; and
- Perform other ethics duties as assigned by the Department or City.

VI. VIOLATION OF GIFT POLICY

An employee who violates this policy will be subject to the appropriate disciplinary action, up to and including dismissal. An employee who violates this policy may also be subject to criminal prosecution.


VII. REFERENCES AND APPLICABLE LAWS

- City of Phoenix Ethics Policy, Phoenix City Code Chapter 2, Article II, Section 2-52
- City of Phoenix Gift Policy, Phoenix City Code Chapter 2, Article II, Section 2-52.1
- City of Phoenix Conflict of Interest Statutes, Phoenix City Charter, Chapter XI
- AR 3.41, Business, Conference, and Training Travel and Related Expenses

VIII. QUESTIONS

Questions regarding this AR should be directed to the Human Resources Department at 602-495-5700.

ED ZUERCHER, City Manager



Toni MacCarone
Acting Deputy City Manager