

GIFTS, TICKETS AND REPORTING

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City Attorney's Office

GIFTS

- City Ordinance: Effective 12/7/2017
 - No gifts \$50 or more, unless state exception applies
- Report gifts \$50 or more on Form 700
- Disqualification if \$470 or more for 12 months from receipt of gift

GIFTS – City Ordinance

No Reporting Required

- Gifts Less Than \$50
- From a Single Donor
- In One Calendar Year
- Includes meals and beverages

GIFTS – 19 State Law Exceptions

No Reporting Required

1. Informational Material: [TICKETS!]

- Conveys information to assist official in performing official duties
- Free or discounted admission to informational conferences or seminars
- Does not include food, lodging or transportation

GIFTS – 19 State Law Exceptions

No Reporting Required

2. Free Event Admission Where Official Makes a Speech [TICKETS!]

- Free admission, food and nominal items available to all attendees
- Official makes a speech, participates on a panel, or makes a substantive presentation at a seminar or similar event
- Free Admission must be from event organizer
- Nominal, like a pen, pencil, mouse pad, rubber duck, stress ball, note pad or similar item

GIFTS – 19 State Law Exceptions

Reporting Required

3. Admission Ticket to Official + 1 Guest for Ceremonial Role [TICKETS!]

- Facility, Event, Show or Performance for Entertainment, Amusement, Recreational or Similar Purpose
- Ceremonial Role on Behalf of City
- Council Staffer can attend the event as part of his/her job duties to assist the Mayor or Councilmember
- City Clerk must report tickets on Form 802 (Reporting Ceremonial Role Events)

GIFTS – 19 State Law Exceptions

No Reporting Required

4. Gift from Family Member:

- Spouse or former spouse
- Child, stepchild or grandchild
- Parent, grandparent, current or former parent-in-law
- Brother, sister, brother-in-law, sister-in-law
- Nephew, niece, aunt, uncle; Grand nephew, grand niece, grand aunt or grand uncle
- First cousin or spouse of first cousin
- Unless family member is acting as an intermediary for a third party

GIFTS – 19 State Law Exceptions

5. Inheritance

- No reporting required

6. Bereavement Offerings

- Provided in memory of and concurrent with the passing of the official's spouse, parent, child, sibling or other relative
- No reporting required

7. Campaign Contributions*

- Includes gifts or payments for campaign activities
- *Report on Form 460*

GIFTS – 19 State Law Exceptions

8. Prize or Award from Bona Fide Competition*

- Competition must be open to the public
- League of CA Cities Conferences are not open to the public
- *Must report prize or award as INCOME*
- Disqualified if \$470 or more

9. Home Hospitality

- Food, drink, occasional lodging
- Provided in the individual's home when individual is present
- Unless hospitality is deductible business expense to individual
- No reporting required

GIFTS – 19 State Law Exceptions

No Reporting Required

10. Reciprocal / Mutual Exchanges

- Benefits commonly exchanged on holiday, birthday or other occasion
- Social events or activities such as lunches, dinners, rounds of golf, attendance at entertainment or sporting events where
- Gifts/payments are rotated on a continuing basis and gifts vs. payments are proportionate
- Single gift or payment must be less than \$470
- Cannot be from City-registered lobbyist

GIFTS – 19 State Law Exceptions

No Reporting Required

11. City Leave Credits

- Donated vacation, sick leave, or compensatory time off
- Under City Time Donation Programs (catastrophic or personal illness or injury program)

12. Disaster Relief, Food, Shelter or Similar Assistance

- Received from a governmental agency or charity
- Available to the general public

GIFTS – 19 State Law Exceptions

13. Wedding Gifts*

- *No limit, but MUST REPORT if over \$50*
- One-half of the value of each gift is attributable to each spouse
- Disqualified if \$470 or more

14. Wedding or Civil Union Guest Benefits

- Food or refreshments
- Party Favors or Goodie Bags
- Received by other guests also
- No reporting required

GIFTS – 19 State Law Exceptions

No Reporting Required

15. Acts of Neighborliness

- Acts of ordinary assistance consistent with polite behavior in a civilized society
- Examples: Loan of an item, occasional needed ride, personal assistance in making a repair, bringing in the mail, feeding the cat

GIFTS – 19 State Law Exceptions

No Reporting Required

16. Date or Dating Relationship

- Personal benefits commonly exchanged between people on a date or in a dating relationship
- If donor is a lobbyist, or will come before the City or Council within 12 months, then must disqualify if gifts are \$470 or more.

GIFTS – 19 State Law Exceptions

No Reporting Required

17. Acts of Human Compassion

- Payments to offset family medical or living expenses that the official cannot meet without private assistance because of an accident, illness, employment loss, family death, or unexpected calamity
- Cannot accept if donor is a lobbyist or will come before the City or Council within 12 months from receipt of the gift.

GIFTS – 19 State Law Exceptions

No Reporting Required

18. Gift or Payment from Long-Term, Close Personal Friend

- Friendship is unrelated to official's City position
- Cannot accept if donor is a lobbyist or will come before the City or Council within 12 months from receipt of the gift.

GIFTS – 19 State Law Exceptions

No Reporting Required

19. Gift or Payment Due to Pre-Existing Personal or Business Relationship

- Donor cannot be a lobbyist
- Relationship must be unrelated to City official's position
- Official will not make or participate in any governmental decision that will have a reasonably foreseeable material effect on the donor

GIFTS – AVOIDING No Reporting Required

Return, Donate or Reimburse

- Within 30 Days
- Unused
- Donate to a 501(c)(3) nonprofit in which the official or official's family member does not hold a position

GIFTS – AVOIDING

Gift to City

- Limited circumstances only
- Received in official capacity or as a City representative
- City Council approves the gift
- *Report on Form 801 (Payments to Agency Report)*

GIFTS – Gifts to City

A gift to the City or a gift to you?

- Who is it addressed to?
 - You: Gift to you
 - Department + Official City business: Gift to City
- Gift Baskets/Gifts of food from vendors to office?

GIFTS - Tickets from the City

- Council Policy 9-11
- Distributed directly by the City Manager's Office, Arena Authority or Office of Cultural Affairs
- Limited to 2 tickets for self + guest
- Past Examples: Cirque, SJSU Spartans, Sharks
- City reports on Form 802 (Ticket/Admission Distribution)
- No individual reporting needed on Form 700

GIFTS - Tickets to Non-Profit Fundraisers

- **Non-Profit Fundraiser – 501(c)(3)**
 - 2 Tickets from 501(c)(3) for its own event. Value is \$0. No reporting required.
 - Additional tickets – \$50 gift rule applies
 - Tickets from 3rd party – \$50 gift rule applies

- **Non-Profit Fundraiser – NOT 501(c)(3)**
 - \$50 gift rule applies: Determine value by
 - Nondeductible portion of admission, OR
 - If no value stated, pro rata share of event + specific FMV of specific benefit.

GIFTS - Tickets to Political Fundraisers

Political Fundraiser

- 2 Tickets to official. Value is \$0. No reporting required.
- Additional tickets – \$50 gift rule applies
- Tickets from 3rd party – \$50 gift rule applies

GIFTS - Travel

	STATE	CITY
Free or discounted transportation <u>provided by a transportation carrier</u>	Prohibited	Defer to State

GIFTS - Travel

	STATE	CITY
Travel within the U.S. to give a <u>speech, panel or seminar</u> and related to a legislative or governmental purpose or public policy	No \$ Limit Report Travel Disqualifying only if over \$470	No Limit

GIFTS - Travel

	STATE	CITY
<p>Travel provided by a <u>government, educational institution, or 501(c)(3) nonprofit</u> related to a legislative or governmental purpose or public policy</p>	<p>No \$ Limit</p> <p>Report Travel</p>	<p>No Limit if Council-authorized travel</p> <p>\$50 Limit if non-authorized travel</p>

GIFTS - specific

What is not a gift of travel?

- Paid by government agency for education, training or interagency purpose
- Provided by the City
- Carpool in vehicle or aircraft to/from same event
- Paid from campaign funds
- In connection with bona fide business*

PERSONAL ADVANTAGES & PERKS

Dozens of California officials fined for failing to report gifts

By Theresa Harrington | *Contra Costa Times*

POSTED: 10/17/2014 05:51:27 AM PDT | UPDATED: 3 MONTHS AGO

0 COMMENTS

SACRAMENTO -- The state's political watchdog agency has fined dozens of California public officials for failing to report gifts received from Bay Area-based bond finance firm Stone and Youngberg.

The Fair Political Practices Commission, or FPPC, on Thursday approved a total of \$18,400 in fines -- ranging from \$200 to \$800 a person -- for 71 officials throughout the state. Five school officials from the Bay Area were fined \$200 each for failing to report \$747.29 in meals and gifts received by themselves and their guests in 2012-13.

These included \$136.13 in meals and gifts to former San Mateo-Foster City school district Chief Business Officer Laura Phan; \$203.72 in meals for Contra Costa County Superintendent Joseph Ovick and his wife; \$101.86 in meals for Antioch district Superintendent Donald Gill; \$101.86 in meals for former Brentwood district Superintendent Merrill Grant; and \$203.72 in meals for former Mt. Diablo district Interim Superintendent John Bernard and his wife, while he was superintendent of the South Monterey County Joint Union High School District in 2012.



BEST PRACTICES

- **Carefully review whether you can accept a gift.**
- **Consult the City Clerk's Office and City Attorney's Office if you are not sure.**

QUESTIONS?