City of Long Beach
Gift Disclosure Policies

Ethics Commission
May 11, 2022

Ethics Guide for Long Beach City Officials & Employees

Accepting Gifts

ACCEPTING GIFTS

- Regulated by the California Political Reform Act of 1974 (Ca. Gov. Code § 81000 et seq.) and FPPC Regulations (2 CCR § 18110 et seq.)

- Applies to all persons required to file a Statement of Economic Interest - Form 700 (hereafter “Form 700”)

What is a Gift?

- A “gift” is anything of value that received for which the person did not provide monetary or other consideration of equal or greater value.
- A gift may include meals, tickets to sporting events, and rebates or discounts in the price of anything of value unless the rebate or discount is made in the regular course of business to any member of the public without regard to official status.
- Any person who claims that they did not receive a gift because they provided consideration has the burden of proving that the consideration is worth as much as or more than the gift.

Gift Restrictions for City Officials and Board Members

- Officials may not accept any gift intended to influence you in the performance of their official duties.
- Those persons who are required to Form 700 may not accept a gift or combination of gifts during the calendar year from a single source with a total value that exceeds $520 (effective 1/1/21 – 12/31/22) if the gift is required to be reported on your Form 700.
- A gift is required to be reported if the donor does business within the City of Long Beach.

Gift Limits for Certain Officials

- City elected officials, Planning Commissioners, City Manager, City Attorney or an official that managers the City's investments may not accept gifts from any source with a total value that exceeds $500.

Accepting Honoraria

- Honoraria are gifts or payments received for speaking engagements, etc. There are complex regulations governing when honoraria may be accepted. Staff are asked to contact the City Attorney's Office prior to accepting any honorarium.

Public Disclosure of Gifts

- A gift and its value must be publicly disclosed:
  - The donor is a source described in an agency's Conflict of Interest Code; and
  - The total value of all gifts received from that source during the calendar year is at least $50.
- If the exact dollar amount of a gift is unknown, a good faith estimate of the item's fair market value must be reported on the Form 700.
- Reporting the value as "over $50" or "value unknown" is not adequate disclosure. This disclosure should be made on the Form 700.
- Gifts that are received and then given to someone else or thrown away are still considered a gift to the original recipient and must be reported on the Form 700

Exceptions to the Gift Limits

Items listed below are *not* subject to City or State gift limitations, and, if received, need *not* be disclosed on your Form 700, except where noted:

- Gifts not used and returned or donated to charity or the City without being claimed as a tax deduction within thirty (30) days after acceptance.
- A single ticket to a fundraising event for a tax exempt 501(c)(3) non-profit organization, if it is provided by the non-profit organization, or a single ticket to a political fundraising event, if it is provided by the campaign committee.
- Tickets provided through the City's Policy on Tickets and Passes (available on the City's website), administered by the City Manager's Office, and reported separately by the City Ticket Administrator via FPPC Form 802.
- Meals and lodging offered in an individual's home.
- Meals provided at an event at which you speak, participate in a seminar, or provide a similar service, only if paid for by a federal, state or local government agency (Form 801 must be filled out).
- Inheritances and bequests.
- Gifts from family members (spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother or sister-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse of any of these persons) or a partner in a bona fide dating relationship as long as they are not acting as intermediaries for restricted sources.
- Gifts to you or an immediate family member in connection with a non-recurring ceremonial event (e.g., wedding, bar mitzvah) valued at no more than $100.
- Informational material such as books, reports, pamphlets, calendars, seminars, or informational conferences exclusively for official or office use and valued at less than $250. (Note: travel is never informational material.)
- Items received from your union; food and beverage from another union if you are a member of a union.
- Personalized plaques and trophies valued at less than $250.

Meals and Raffle Prizes are Considered Gifts

MEALS

- A meal is a gift, unless one of the exceptions to the gift limitation regulations applies.
- Note: a meal provided to an official by an individual in their home when the individual or a member of the individual's immediate family (an individual's spouse and dependent children) is present is also not considered a gift.

RAFFLE PIZES

- Any raffle prizes awarded to City employees donated by an entity other than the City of Long Beach or a fellow City employee, is a gift and must be reported as such.

Invitations or Tickets to Events are Considered Gifts

- **AN INVITATION OR TICKET IS CONSIDERED A GIFT IF USED -** An invitation or a ticket to an event is considered a gift unless it is a political fundraiser or a fundraiser for an organization exempt from taxation (i.e., a charitable organization) **AND** the person has received a single ticket from the charity itself or from the political committee itself.
- **EVENTS NOT EXEMPT** - If the event is not exempt, the reportable value of the invitation or ticket is generally its face value. If there is no face value, the reportable value is the cost to the donor. It is the individual's responsibility to contact the donor to ascertain the total per-person cost of the event (meaning the pro-rata share of the total cost, including food, beverages, entertainment, decorations, etc).
- **TICKETS PROVIDED THROUGH CITY'S TICKET POLICY** - Tickets provided through the City's Policy on Tickets and Passes (available on the City's website), administered by the City Manager's Office, and reported separately by the City Ticket Administrator via FPPC Form 802 do not need to be reported on the individual's Form 700.
- **INVITATION OR TICKET GIFTED TO SOMEONE ELSE** - If the invitation or ticket is gifted to someone else, you must still report it as a gift to you. In addition, if you take a guest with you to the event, you must report the value of two invitations/tickets. If a ticket or invitation is discarded or unused, it is not considered a gift.

Gifts of Travel Are Severely Restricted

- Generally, you may not accept reimbursement for travel and related expenses from sources other than the City of Long Beach if traveling on official duty. Some minor exceptions apply, and you should contact the City Attorney's Office for advice about how to proceed if such travel is offered. It is important to get advice, because if an outside entity pays for your travel, the travel must be reported, and in certain circumstances, is prohibited.
- Travel that is offered to you as a gift is subject to the gift limits - even if offered to you in your personal life outside the scope of your official duties. In some cases, you may be prohibited from accepting a "gift of travel." For example, City officials may not accept a gift of travel from any transportation company, included, but not limited to, airlines, railroads, bus and shipping companies.
- Exemptions to the gift limits may apply for certain types of travel offered to you depending on the destination and whether you are providing a service, such as making a speech, in exchange for the travel. In most instances, a Form 801 must be filled out by the employee and posted on the City's website. For information, please contact the Office of the City Attorney.

AR 8-2
Policy Regarding Acceptance of Gifts and Gratuities by City Employees

AR 8-2: Purpose and Scope

PURPOSE

- To establish a uniform policy governing the acceptance of gifts and gratuities by employees and officers of the City and to establish guidelines to assist employees in determining what course of action to take should such gifts and gratuities be received.

SCOPE

- All City departments and offices responsible directly to the City Manager.

AR 8-2: Policy

- Employees shall not accept gifts, gratuities or favors, which might reasonably be interpreted as an attempt to influence their actions in the performance of their official duties.
- Examples of gifts and gratuities which may not be accepted by City employees under this policy are:
  - Passes or tickets to recreational or entertainment events, including City events, unless employees are assigned to attend such events as a part of their official duties. (Superseded by the City's 2019 Ticket Policy)
  - Consumable goods, such as food, drink, tobacco or other products, whether provided directly by the distributor, by an individual or by a company or person actually or potentially involved in business with the City, including City contract employees and consultants, except lunches, dinners, etc., provided by members of other governmental agencies or vendors during the conduct or transaction of City business.
  - Any remuneration for employment with the City other than that specified in the Salary Resolution, whether such remuneration be in the form of cash, material gifts or services.
- Discount opportunities commonly made available to all public employees may be accepted, including such items as memberships in discount department stores and discount cards for amusement parks.

AR 8-2: Procedures Applicable Upon Receipt of Gifts or Gratuities

- Any City employee who receives a gift or gratuity, acceptance of which would constitute violation of this regulation, shall return said gift or gratuity to the donor immediately, and within five (5) working days shall report in writing to his or her department head the receipt and subsequent return of said gift or gratuity.
- In instances where gifts or other items are received from anonymous donors, the gifts should be turned over to a community group, such as the Salvation Army, Goodwill, church or other charitable organization of the recipient's choice. It is further recommended that a receipt be obtained from the organization to which the gift has been donated; and that the receipt be submitted to the employee's department head.
- Where applicable, the provisions of Administrative Regulation No. 2-5, City Reporting of Exchanges of Money or Other Items of Value Between the City end State Officials, and the City’s adopted Conflict of Interest codes must also be considered and adhered to in complying with this regulation.

City Policy Regarding the Use and Distribution of Tickets and Passes Provided By the City for Entertainment Purposes

City Ticket Policy: Purpose

To establish a procedure for the City to provide tickets and passes to City Officials which will result in the tickets and passes not qualifying as gifts under the Political Reform Act (California Government Code section 81000 et seq.)

City Ticket Policy: Scope

- Applies to all City Departments.
- Adopted by Resolution of the City Council
- Supersedes and replaces any other City policies and procedures related to tickets or passes provided to the City or City Officials
- Applies to tickets and passes which provide admission to any facility or event for an entertainment, amusement, recreational or similar purpose and are either:
  - Gratuitously provided to the City by any outside source; or
  - Acquired by the City; or
  - Acquired by the City as consideration pursuant to the terms of any contract; or
  - Acquired and distributed by the City in any other manner.
- Does not apply to:
  - Single ticket provided to and used by a City Official to an event at which the official performs, on behalf of the City, a ceremonial role or function, as those terms are defined in FPPC Regulations, Section 18942.3 (Title 2, Division 6, California Code of Regulations);
  - Any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided;
  - Tickets for which the City Official pays the City the value of the ticket.

City Ticket Policy: Ticket Administrator

- The City Manager or designee shall be the Ticket Administrator for purposes of implementing the provisions of this policy.
- All requests for tickets which fall within the scope of this policy shall be made in accordance with the procedures established by the Ticket Administrator.
- The Ticket Administrator shall determine the Fair Value of tickets distributed by the City as necessary to implement this policy.
- The Ticket Administrator, in their sole discretion, may revoke or suspend the ticket privileges of any person who violates the provisions of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.
- The Ticket Administrator shall determine in their sole discretion what constitutes the prohibited disproportionate use of tickets or passes.

City Ticket Policy: Conditions Under Which Tickets May Be Distributed

Subject to the provisions of this policy, complimentary tickets may be distributed by the Ticket Administrator, as available, to City Officials under the following conditions:

- The City Official reimburses the City for the Fair Value of the ticket(s).
  - Reimbursement shall be made at the time the ticket is distributed to the City Official.
  - The Ticket Administrator shall, in their sole discretion, determine which event tickets, if any, shall be available under this Section.
- The City Official treats the tickets as income consistent with applicable federal and state income tax laws

City Ticket Policy: Conditions Under Which Tickets May Be Distributed (cont.)

The City Official uses or behests such tickets for one or more of the following public purposes:

- If performing a ceremonial role or function representing the City at the event, the City Official may receive enough tickets for him/herself and each member of his or her immediate family.
- If conducting oversight or inspection of facilities, the City Official receiving the ticket or pass shall promptly provide a written inspection report of findings and recommendations.
- The job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough tickets for the City Official and his or her immediate family.
- Promoting city businesses, industries, resources, programs, facilities, and economic development.
- Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
- Attracting or rewarding volunteer service.
- Supporting or showing appreciation for programs or services rendered by non-profit organizations benefitting Long Beach residents.
- Encouraging or rewarding significant academic, athletic or public service achievements by Long Beach students, residents or businesses.
- Attracting and retaining highly qualified employees in City service.
- As special recognition or reward for meritorious service by a City employee.
- For use in connection with a City employee or resident competition or drawing.
- Recognition of contributions made to the City by former City Council members, City Managers or City Officials.
- Encouraging Long Beach resident and business support for and attendance at local events.
- Encouraging participants in City sponsored programs to attend local events.
- Encouraging City Officials and employees to attend local events on City-recognized holidays by being accompanied by their parents, children, grandchildren, siblings, nieces or nephews.

City Ticket Policy: Tickets Distributed at the Direction ("Behest") of a City Official

- Subject to the "Disclosure Requirements" in the City's Ticket Policy, tickets and passes subject to the policy must be received and distributed by the Ticket Administrator
- Only the following City Officials shall have authority to request distribution of tickets: City Attorney, City Auditor, City Prosecutor, Mayor, City Council Members, City Manager, Assistant City Manager, City department heads.
- Tickets shall only distributed at the request of a City Official only for one or more public purposes identified in the City Ticket Policy
- If tickets are distributed at the behest of a City Official, the Official shall not use one of the tickets to attend the event.

City Ticket Policy: Disclosure Requirements

- Tickets distributed by the City to any City Official shall be posted on a form provided by the FPPC in a prominent fashion on the City's website ("Ticket Policy Report Page") within thirty (30) days after distribution where:
  - The City Official treats the ticket as income consistent with applicable federal and state income tax laws, OR
  - One or more public purposes described in the Policy applies.
- Tickets distributed by the City for which the City receives reimbursement from the City Official, shall not be subject to the disclosure provisions of the Policy.

City Ticket Policy: Disposition of Tickets Received

Tickets received by a City Official other than pursuant to this Ticket Policy must, within 30 days of receipt, either be:

- Returned to the source unused; or
- Provided to a 501(c)(3) organization for which the City Official does not take a tax deduction; or
- Delivered to the Ticket Administrator for distribution and use consistent with this policy.
- If tickets are disposed of pursuant to this Section, the City Official must notify the Ticket Administrator of their disposition, including the name of the 501 (c)(3) organization, the number of tickets and the date of return or delivery.