Gifts, Gratuities And Business Courtesies

Affected Departments:

- All Departments

I. PURPOSE:

The purpose of this policy is to set forth the parameters, in accordance with the values of SJHS and our standards for ethical business practices, for accepting and giving gifts, gratuities and business courtesies as we strive to create sacred encounters between ourselves and interested parties such as patients, visitors, vendors, and business associates.

II. POINTS TO EMPHASIZE:

A. SCOPE:

This policy applies to all employees, professional staff and trustees of SJHS.

III. POLICY:

Employees may not solicit or accept personal gifts, business courtesies or services from patients, visitors, vendors, or business associates as doing so may be an actual or perceived conflict of interest. Unsolicited gifts of nominal value, as described within this policy, may be permissible under certain circumstances. Gifts that are intended to influence or may be reasonably perceived by anyone as having the potential to influence an individual in the scope of his or her duties or responsibilities at SJHS are prohibited regardless of whether the gift is from present or potential interested parties. SJHS may be required to report income for federal and state tax purposes relative to gifts, travel or other reimbursement given to employees, and in some cases spouses/guests under a number of the scenarios referenced herein. As such, the SJHS Tax Treatment of Gifts, Spousal/Guest Travel and Other Reimbursement for Employees Policy should be referred to.

IV. PROCEDURE:

Gifts in General

A. Receiving of Gifts
1. **Perishable Gifts:** It is acceptable for a department or clinical unit to accept a modest perishable gift such as a floral arrangement, baked good, candy or similar edible items to be shared by all staff. Meals sent from non-employed individuals to ministry staff should not be accepted; politely declined if known in advance, or accepted and then donated if possible, and inform the vendor of our policy prohibiting such gifts for future reference. However, to the extent that SJHS staff and a third party's staff are working together on a project for the ministry, and working through a meal is necessary, ordered meals can be accepted as long as they are of reasonably modest cost (e.g., pizza).

2. **Education:** Unrestricted subsidies to underwrite the cost of continuing education conferences that contributes to the provision of Perfect Care, are permissible if the following criteria are met: (1) the primary purpose of the education must be the distribution of objective scientific information or educational activity; (2) acceptance of education support must never be made, conditioned on or related in any way to preexisting or future business relationships with the vendor; (3) the vendor’s support is of minimal individual value but promotes the educational nature of the conference; and (4) SJHS management must be present to supervise any educational discussion. Subsidies offered for education should be directed to SJHS administration. The funds offered may be used to provide refreshments at educational sessions. The contributing vendor may be recognized for contributing the unrestricted education subsidy.

3. **Promotional items:** Items such as mugs, pens, and similar items may be accepted from a vendor as long as they do not exceed nominal value and no more than one hundred dollars ($100) in the aggregate annually per recipient.

4. **Cash and Equivalents:** Gift certificates, stocks, bonds, etc. from vendors, non-employed individuals, or other external entities are prohibited.

5. **Patients:** No gifts or items of value should be solicited or accepted from patients or their families, but rather the patient should be thanked, politely informed of the ministry policy against acceptance of gifts and directed to the foundation where the gift can be accepted on behalf of the ministry. Refer to the SJHS Philanthropy Corporate Compliance Policy regarding "Gifts from Patients" consistent with the applicable section.

6. **System staff in service to local ministries:** Gifts of nominal value may be given by local ministries to system staff in appreciation of extraordinary service rendered, though such gifts should be limited in number and value. All cash and cash equivalents (including gift certificates) of any value given to SJHS employees by any SJHS ministry must be reported on the IRS Form W-2 in accordance with the SJHS Tax Treatment of Gifts, Spousal/Guest Travel and other Reimbursement for Employees Compliance Policy. Gifts of more than nominal value given by a local ministry to system staff in appreciation of service rendered are prohibited. Gifts of any value intended to influence or which could give the appearance of possibly influencing system staff in performing oversight or service responsibilities to local ministries is prohibited regardless of value.

B. **Giving of Gifts.**
1. **Government Officials**: Gifts, even if nominal in value (including food and beverages), may not be offered to any governmental official. Such gifts could be misinterpreted as an attempt to improperly influence an official and must not be given.

2. **Inducement of referrals**: Any gift intended to induce or reward referrals or result in the purchase of good or services is prohibited, regardless of value.

3. **Promotional items**: The marketing department and/or other departments of SJHS may develop promotional items of nominal value ($100 annually) that promote awareness of clinical programs for referral sources or patients that is consistent with the hospital's mission to promote outreach and education with the goal of creating the Healthiest Communities.

4. **Gifts in recognition of volunteered service**: Gifts of reasonable value offered in appreciation for service requested by the ministry and volunteered by the recipient without expectation of payment may be given. For example, departing gifts may be given in thanks to trustees leaving the ministry board, medical staff officers concluding their term in office, or donors following donation as long as the gift is reasonable in value and the value is similar for all similarly situated, and relative value isn’t based on the volume of referrals or size of donation. The SJHS Tax Treatment of Gifts, Spousal/Guest Travel and other Reimbursement for Employees Compliance Policy should be referred to relative to tax considerations, if any.

C. **Business Courtesies**

1. **Permitted Business Courtesies**: On limited occasions it may be permissible to accept a meal or other invitation from a current or potential vendor. However, the purpose must never be to induce or influence a business transaction. As a general rule, the cost must be reasonable (not to exceed one hundred dollars $100 per person). The invitation should be declined if the occasion has the appearance of extravagance or if acceptance of the invitation could be reasonably perceived by anyone as having the intent to influence a business decision involving SJHS. To be acceptable, the occasion resulting from the invitation should conform to the following guidelines: (1) The cost and location must be reasonable and not extravagant; (2) paid expenses for any travel costs or overnight lodging for the individual or his/her family are prohibited; (3) the invitation is for an ordinary business meal or gathering during which the host is present and business is conducted; and (4) acceptance of such an invitation from an individual or business is rare unless expenses are shared by both parties in equal portions.

2. **Prohibited Business Courtesies**: Business courtesies of personal benefit such as tickets to a sporting event, theatrical event, or golf outing may not be accepted.

3. **Sponsoring Business Events**: SJHS may routinely sponsor events with a legitimate business purpose (e.g., medical staff summits, board meetings, retreats). For these events, reasonable and appropriate meals and entertainment may be offered. Transportation and lodging for these events may be paid for by SJHS.

4. **SJHS Fund-raising Events**: SJHS employees are permitted to attend a SJHS fund-raising event that is sponsored by a current or prospective vendor or others doing business with SJHS provided that the vendor or others sponsoring the event extend the invitation to the employee and that the host attends the event with the SJHS
employee. Any current or potential vendor desiring to sponsor a SJHS fund-raising event, but who plans to be absent from the event, may offer the event tickets to SJHS administrative office. The administrative office will coordinate with the department managers to determine how the sponsored tickets should be distributed. SJHS employees are prohibited from accepting this type of sponsored ticket directly from the vendor.

5. **Other Non-Profit Organization Fund-Raising Events**: SJHS employees are permitted to attend other regional non-profit organization events sponsored by vendors or others with business relationships with SJHS provided the event is reasonable, directly supports the other regional nonprofit organization and the host and the recipient are present at the event.

6. **Referral Sources**: Any gifts or entertainment involving physicians or other persons in a position to refer patients are subject to federal laws, rules and regulations regarding these practices and must be undertaken with the utmost integrity and good judgment. Individuals uncertain about whether a particular event or function may be accepted should contact their supervisors, human resources or the compliance/ministry integrity department for direction. The following elements must be present when accepting a business courtesy from a referral source including a physician: (1) cost and location must be reasonable; (2) paid expenses for any travel or overnight lodging are prohibited; (3) a business courtesy from an individual or entity should be of such limited value ($100 per person annually) that it would not be reasonably perceived by anyone as an attempt to affect the judgment of the recipient of induce referrals; (4) subsidies for hospitality and business courtesies should not be accepted beyond modest meals or socializing opportunities held as part of a conference or meeting; and (5) a conference or meeting must primarily be to discuss business; a modest meal associated with the meeting or conference is acceptable if the host is present.

D. **Vendor Sponsored Travel Expenses**

1. **Permitted**: Reasonable coverage of travel expenses by a vendor or business associate is acceptable when the subsidized individual is: (1) presenting at a conference; (2) participating in a meeting for the purpose of sponsored research protocol review; (3) participating as a member of a governmental panel; and (4) participating as part of an approved "speakers bureau" engagement.

2. **Prohibited**: Travel expenses reimbursement by outside organizations is prohibited when: (1) extended to an individual's spouse or family member; (2) an individual is not presenting at the meeting or conference; (3) the primary focus is social with minimal or no business activity (e.g., golf or other recreation); (4) offered by a potential or current vendor to discuss, promote or showcase vendor products or services, if not explicitly defined in existing vendor contract; or (5) the event location appears extravagant, including but not limited to being held outside of the United States.

E. **Honoraria and Consultations**

1. Employees who are invited to speak or provide genuine consulting services can accept reimbursement in the form of honoraria or compensation for time and
expenses under the following conditions: (1) travel, lodging and meal expense reimbursement is reasonable and directly related to the engagement; (2) compensation fees received are no more than fair market value; (3) presentations or consultation engagements must be of scientific/academic permit and/or benefit SJHS; (4) consultations and service agreements must be in writing; and (5) honoraria or fees from consultation engagements are forwarded to the ministry or its foundation or have received prior specific approval from administration.

2. Individuals may not do private consulting work for a vendor who conducts business with the hospital, or who wants to conduct business with the hospital, without receiving prior approval for the activity from administration.

Referenced Documents

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Signed by

( 03/11/2013 ) Tes Pane

( 03/12/2013 ) Brian L Helleland