



EZ-REFERENCE

EZ-Reference Sheet: About Gifts, Honoraria and Travel Payments¹:
for LAUSD Officials on California Laws & Our Code of Ethics

PROCLAIMER: This quick reference sheet is by no means exhaustive, so if you are dealing with a complicated situation, please be sure to consult our Ethics Office at (213) 241-3330, or contact the FPPC (866) ASK-FPPC for further guidance.

Key Takeaways:

- Pursuant to California's *Political Reform Act* (Gov. Code sections 81000-91015) which seeks to avoid potential misuse of public position, elected officials and public employees who are designated in an agency's Conflict of Interest Code (i.e. Form 700 filers) **CANNOT** accept any honoraria payments (Gov. Code section 89503).
- Additionally under the PRA, officials must report income, travel payments and gifts on the Form 700 Statement of Economic Interests. Please note, however, that disclosure does not absolve an official of a conflict of interest. It is definitely possible to disclose and still have a conflict. This is why all officials must be proactive to disqualify themselves from any participation in official decision-making related to their personal interests.
- Finally, in accordance with LAUSD's *Code of Ethics*, **the cumulative maximum that any LAUSD official may accept in "gifts" from any single LAUSD-related source is \$100 per calendar year.**

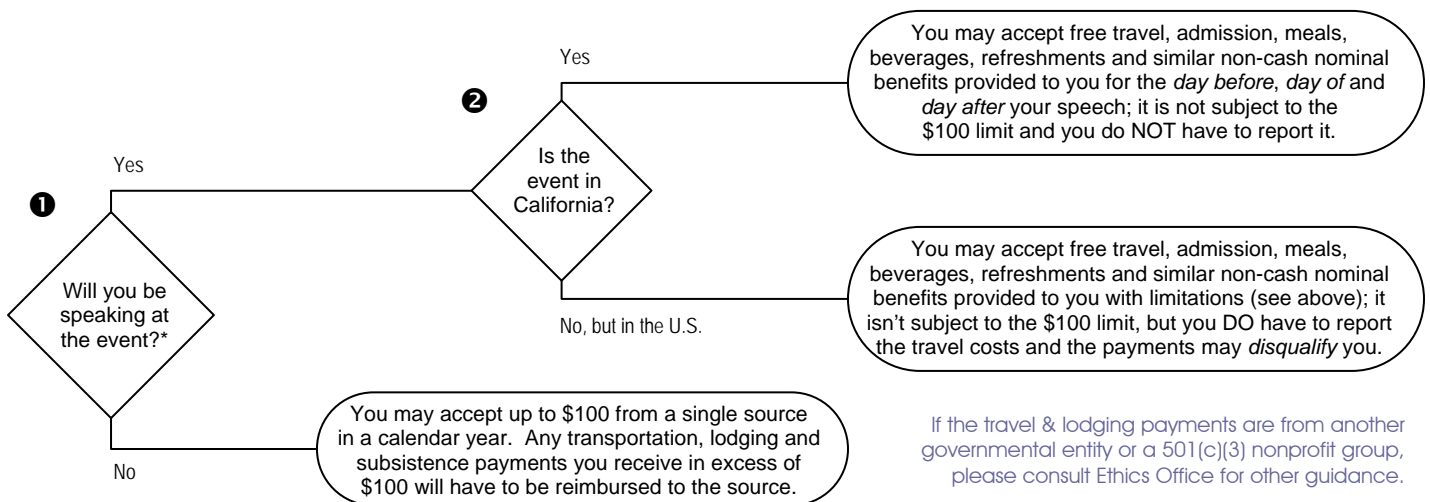
Top 3 Most Common Questions:

1. What are the rules about honoraria for LAUSD officials?

The PRA defines "honorarium" as any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. Officials cannot accept or keep honoraria payments from any source that they are required to report receiving income or gifts from on their Statement of Economic Interests, but they may ask for the honorarium to be donated to either:

- The LAUSD's general fund or our LAUSD Foundation within 30 days—however you cannot claim this donation as a deduction for your tax income purposes; or
- Another recognized 501(c)(3) charitable, educational, civic, religious or other similar tax-exempt, non-profit—again however you cannot claim this donation as a deduction for your tax income purposes and your donation must be *anonymous*. Further, you cannot make the donation a condition for your participation, and the donation must not have a foreseeable financial effect to you or any other member of your immediate family.

2. What conference and travel payments can LAUSD officials accept from a reportable source?



* "Speaking" means making a *public* address or presentation; it is more than being a "discussant" or audience participant

¹ Extracted from California's *Political Reform Act* and the Fair Political Practices Commission's *Fact Sheet for Limitations and Restrictions on Gifts, Honoraria, Travel and Loans, Factsheet – Tickets to Nonprofit and Political Fundraisers, and Form 700 Statement of Economic Interests*

3. **What constitutes a “gift” and what do I need to be aware of when considering whether to accept one?**

- As stated, **\$100 is the gift limit for LAUSD**. Anything over \$100 must be refused or donated to a non-profit, tax-exempt organization or a government agency within 30 days of receipt and without claim of a tax deduction.
- All **gifts with a fair market value over \$50 are reportable** on a Form 700 filer’s statement. Note: It is the acceptance of a gift, not its usage that counts – thus a gift is reportable even if you give it to someone else.
- Finally, it is best to **accept or reject gifts by communicating with transparency**, so that the giver, your LAUSD colleagues and staff (and the public) know why you’re accepting or declining a gift. This can be done very simply, whether verbally or in writing. Contact the Ethics Office, if you need further guidance on this point.

Gift Chart Wizard: What’s Acceptable, Limitable and Reportable? *

	Item (sorted alphabetically)	Can I accept this item?	Is this considered a “gift?”	Is this subject to the \$100 limit?	Do I need to report this on my Form 700?
1	A bequest or inheritance	Yes	No	No	No
2	A prize or award received in a competition NOT related to your official status	Yes but may be disqualifying	No	No	Yes as income if over \$500
3	A prize or award received in a competition related to your official status	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
4	Food, travel and <i>necessary</i> accommodations provided directly in connection with an event <u>within</u> California at which you DO give a speech, speak as part of a panel or seminar, or provide a similar service	Yes	No	No	No
5	Food, travel and <i>necessary</i> accommodations provided directly in connection with an event <u>outside</u> California at which you DO give a speech, speak as part of a panel or seminar, or provide a similar service	Yes but may be disqualifying	No	No	Yes need to report travel payments
6	Food, beverages and necessary accommodations provided directly in connection with an event at which you DO NOT give a speech, speak as part of a panel or seminar, or provide a similar service	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
7	Food, shelter, or similar assistance received in connection with a disaster relief program that is made available to the general public	Yes	No	No	No
8	Gifts equal in value exchanged between you and a non-relative on holidays, birthdays or similar occasions	Yes	No	No if gifts are mutual and equivalent	No if gifts are mutual and equivalent
9	Gifts given to you by a non-relative which you do not reciprocate	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
10	Gifts from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary of another person who is the true source of the gift(s)	Yes	No	No	No
11	Gifts of hospitality involving food, drink, or occasional lodging provided in an individual's home when the individual or a member of the individual's family is present	Yes	No	No	No
12	Informational materials provided to assist you in the performance of your official duties, including books, reports, pamphlets, calendars, periodicals, or videotapes	Yes	No	No but must prove it's informational	No
13	Parking passes	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
14	Personalized plaques and trophies with an individual value of less than \$250 (Anything over \$250 should be refused or donated)	Yes	No	No but can't be over \$250 limit	No
15	Rebates/discounts not available to the general public	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
16	Ticket (1 only) to a fundraiser for a bona fide 501(c)(3) when the ticket is offered by the very nonprofit hosting the fundraiser (i.e. can't be from other source)	Yes	No	No but limits other gifts for that year	No
17	Ticket (1 only) to political fundraiser when the ticket is offered by the very committee or candidate hosting the event (i.e. can't be from other source)	Yes	No	No but limits other gifts for that year	No
18	Tickets/passes to amusement parks	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
19	Tickets/passes to sporting or entertainment events	Yes but only up to \$100	Yes	Yes	Yes anything over \$50 has to be reported
20	Wedding gifts that you receive	Yes but may be disqualifying	Yes	No	Yes anything over \$50 has to be reported
21	Gifts which you donate (unused) anonymously to a non-profit, tax-exempt 501(c)(3) organization or to LAUSD's general fund within 30 days of receipt without claiming a deduction for tax purposes	NA	NA	No	No
22	Gifts which you return (unused) to the donor, or for which you reimburse the donor, within 30 days of receipt	NA	NA	No	No

*** Still have questions? Ask Ethics @ 213-241-3330**