

## **Laredo Firefighters Retirement System Gifts/Gratuities**

### **Policy Statement:**

Board Trustees and Fund Staff shall not accept or receive, directly or indirectly, any gift, service, favor, entertainment, or any other thing of value or consideration from any individual or entity currently engaged or seeking business from the Fund if this transaction could be reasonably expected to influence a decision or be considered a reward for special considerations.

### **Background:**

Gifts and gratuities directed toward individuals with fiduciary responsibilities are commonplace in current business environment. Business discussions occur over meals at a wide variety of times and places, making these interactions deductible as business expense according to IRS guidelines. Fiduciaries and even Fund Staff are perceived as individuals with decision potential involving oftentimes substantial assets. Both real and perceived impressions of impropriety may arise out of seemingly innocent and genuinely impartial transactions involving services, favors, entertainment, etc afforded in the course of doing business.

The policy statement above describes generally Trustee and Staff responsibility in acceptance of gifts and gratuities. Below, specific guidelines serve to assist in discerning where the line lies between acceptable and non-acceptable. In all cases, refusal is acceptable. Some fiduciaries currently practice total non-acceptance as a policy.

### **Policy/Procedure:**

1. **Door Prizes:** Door prizes at conferences or other education meets are acceptable provided that:
  - a. A random drawing of attendees produces the recipient of the prize.

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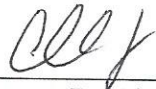
- b. All attendees are eligible to enter the drawing.
  
2. **Conference Meals/Entertainment:** Meals and entertainment provided in conjunction with educational meets and conferences are acceptable provided that:
  - a. The event is posted on the conference agenda.
  - b. The event is open to all conference attendees desiring the event.
  - c. The event is provided for by the conference sponsors or conference entity.
  
3. **Meals/Entertainment with Vendors:** Currently engaged vendors (managers, consultants, actuaries, custodians, etc) providing meals/entertainment in association with board meetings, educational conferences, due diligence trips, etc or potential vendors offering meals as a "get acquainted" tool to familiarize Board Members and Fund Staff with the services they provide or to establish points of contact are considered acceptable, provided that:
  - a. The invitation for participation is extended to all Board Trustees and Fund Staff.
  - b. The event is considered acceptable client service or client recruitment within the specific operating policies or guidelines of the vendor.
  
4. **Entertainment and Networking/Relationship Building Events:** Stand alone entertainment-oriented activities (Tickets to sport events or other entertainment, sporting and social activities, etc) or events designed to provide opportunities for networking and relationship building, (evolving from activities such as camping, hiking, hunting, touring, team-building exercises, etc.) offered by currently engaged vendors are acceptable,

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provided that:

- a. The event is publicly disclosed by discussion at a regularly scheduled board meeting.
- b. A fixed number of invitations are offered.

5. **Advertising Merchandise:** General merchandise bearing the business logo of an organization, serving as an advertising medium for that organization, provided in accordance within the organizations operating policies or guidelines are considered acceptable within the guidelines of this policy.



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Alberto R. Chapa  
Chairman

10-27-19

\_\_\_\_\_  
Date

Board Approval Date \_\_\_\_\_