

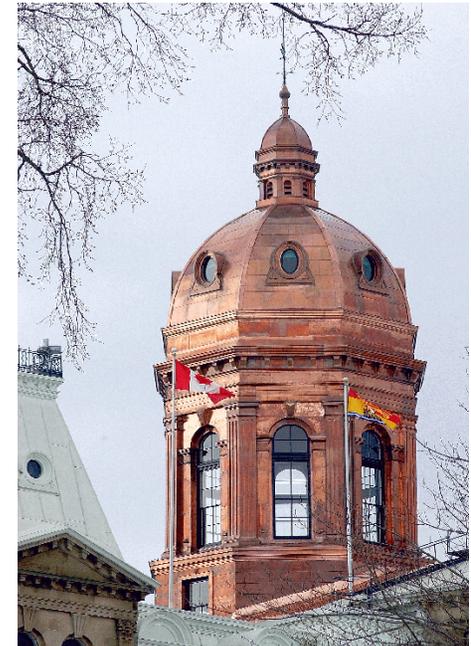
FAQ

2014

- Q. *Are there any types of gifts that are prohibited?*
- A. You may not accept cash or gift certificates under any circumstances. You must never solicit a gift.
- Q. *What if I have already accepted a gift, and later discover that I shouldn't have done so?*
- A. In most cases, you will simply be able to return the gift with a polite letter of explanation. However, sometimes this will not be possible (e.g. hospitality or travel that has already been enjoyed). If this is the case, you should determine the value of the benefit received, and return that amount to the donor. You should provide copies of any related correspondence to the Commissioner.
- Q. *Where can I get disclosure forms?*
- A. Forms are readily available from our office. You can reach us by phone at (506) 457-7890 or by email at coi@gnb.ca.
- Q. *What if the gift is something that cannot be purchased, such as tickets to the team suite at a professional sporting event?*
- A. You should disclose the gift and declare that it has "no commercial value."

Accepting and Disclosing Gifts

A Guide for Members



About this Guide

This Guide has been compiled to:

- help you understand your obligations under section 8 of the *Members' Conflict of Interest Act*; and
- provide guidance on responding appropriately in a variety of situations involving specific types of gifts.

This Guide is also available online at
www.gnb.ca/legis/conflict/index-e.asp

Contact us at:

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Gifts to family members

If a gift is offered to a family member, the same considerations apply as if the gift were given to you directly. This is because the *Act* also applies to gifts given to you indirectly.

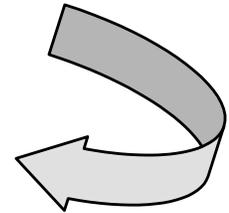
Example 1: A local business competing for a government contract sends your daughter a complimentary ski pass to a nearby ski resort.

Unless there are circumstances that indicate otherwise, it looks like the gift may have been given to your daughter because of her relationship to you. In effect, the gift was indirectly given to **you**. The gift should not be accepted as it appears to place you under an obligation to the donor.

Example 2: You have been invited to a leadership awards ceremony sponsored by the Chamber of Commerce. The invitation includes your spouse. Tickets to the ceremony cost \$150 each.

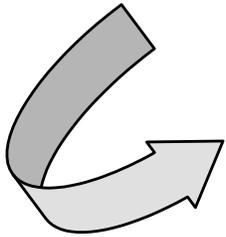
You may accept the free tickets as part of the protocol or social obligations of office. If you attend on your own, you do not need to disclose as the value of the personal benefit is less than \$250. However if your spouse attends with you, disclosure is required as the combined value of both tickets is more than \$250.

Your spouse and dependent children are considered your "family members".



Gifts from friends and family members

You may accept gifts from friends and family members in normal gift-giving situations (e.g. birthday, anniversary). However if you receive a gift that is outside the normal gift-giving pattern of your relationship, you should consider whether external factors may be at play before accepting the gift.



A “friend” is someone with whom you have had a long standing personal relationship, extending beyond mere acquaintanceship.

Example 1: You are on friendly terms with your neighbours and you usually exchange token gifts at Christmas time. This year however, your neighbours presented you with a flat screen t.v. worth several hundred dollars.

Since this is such a departure from the gift-giving norm you have established, ask yourself *why* they have given you such an expensive present. They may have come into some money and given you the gift simply out of generosity. However if they have any current or potential official dealings with the government, such as a licence application, you should decline the gift as it could appear that it was given in order to influence you in some way.

Example 2: Your spouse’s parents are celebrating their wedding anniversary in Maui and have invited you and your family to join them. They have offered to pay for all of your travel expenses. They are retired and do not have any current or potential official dealings with government.

You may accept the gift as it is not connected in any way with your official duties.

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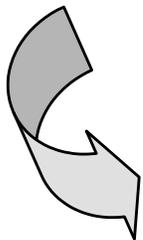
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Answers to some common questions about accepting and disclosing gifts

Overview

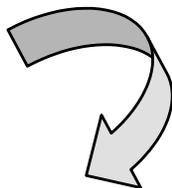
The **basic rule** is that you are prohibited from accepting a gift given to you in connection with the performance of your duties as an elected official. This applies to gifts given to you either directly or indirectly.

However, there is an **exception** for gifts given to you as an “**incident of protocol or social obligations**”. In most cases this means a token expression of appreciation or complimentary hospitality in the context of some official interaction. Any such gifts with a likely value of more than \$250 must be disclosed.



The Act requires you to immediately disclose receipt of a gift. Accordingly you should return the disclosure form to our office as soon as possible, but in any event not more than 30 days following acceptance of the gift or of enjoying the hospitality.

It is important to consider whether the gift is being offered by someone whose interests could be affected by a decision you could be called upon to make, and whether accepting a gift from a particular donor would or would appear to place you under an obligation.



Generally, you should not accept a gift if the donor:

- ◆ has, has had or may have official dealings with the government;
- ◆ is or may be affected by government programs or policies;
- ◆ is or may be regulated by government.

The following chart provides guidance on a variety of events and hospitality scenarios you may encounter.

Circumstances	Acceptable?	Disclose? (if value likely over \$250)
Attendance at an event where you have an official function (e.g. giving a speech, presentation)	Yes, if related to your official duties.	The value of the tickets and/or hospitality does not need to be disclosed because the gift is to the Province rather than to you personally.
Attendance at major sporting or cultural events and receptions at the invitation of a corporate sponsor where you have no official function but are attending as an elected representative.	Yes, if related to your role as an elected representative and the donor has no official dealings with the government. Your attendance is acceptable as a “marketing tool” to promote important public events.	Personal benefit that can be accepted as an incident of protocol or social obligations. The value of the tickets/hospitality must be disclosed.
Tickets to an event/hospitality from a friend or family member where you have been invited on a personal basis.	Yes, if the donor has no official dealings with the government.	May be accepted as unrelated to your official role and therefore there is no need to disclose.
Tickets to a charitable event given to you by the sponsoring charity.	Yes.	Personal benefit that can be accepted as an incident of protocol or social obligations. The value of the hospitality received should be disclosed. You may not claim a tax benefit.
Tickets to a charitable event given to you by a corporation.	Yes, unless the donor has or is likely to have dealings with government, or is regulated by government.	Personal benefit that can be accepted as an incident of protocol or social obligations. The value of the hospitality received should be disclosed. You may not claim a tax benefit.

Events and Hospitality

As an elected representative, you are likely to receive invitations to a wide variety of events. These could include sporting events, artistic productions, galas, ceremonies, fundraising dinners and the like. Generally, if the event is taking place in your constituency and you are acting in your official capacity, you may accept complimentary tickets to such events, as well as any attendant hospitality.

If you have an official role at an event, such as giving a speech or meeting foreign dignitaries, and your expenses would normally be paid for by the Province, the provision of hospitality is a gift to the Province and does not have to be disclosed.

If the donor is a corporate sponsor, it is important to look at their relationship with government before accepting their invitation.

Charitable Events

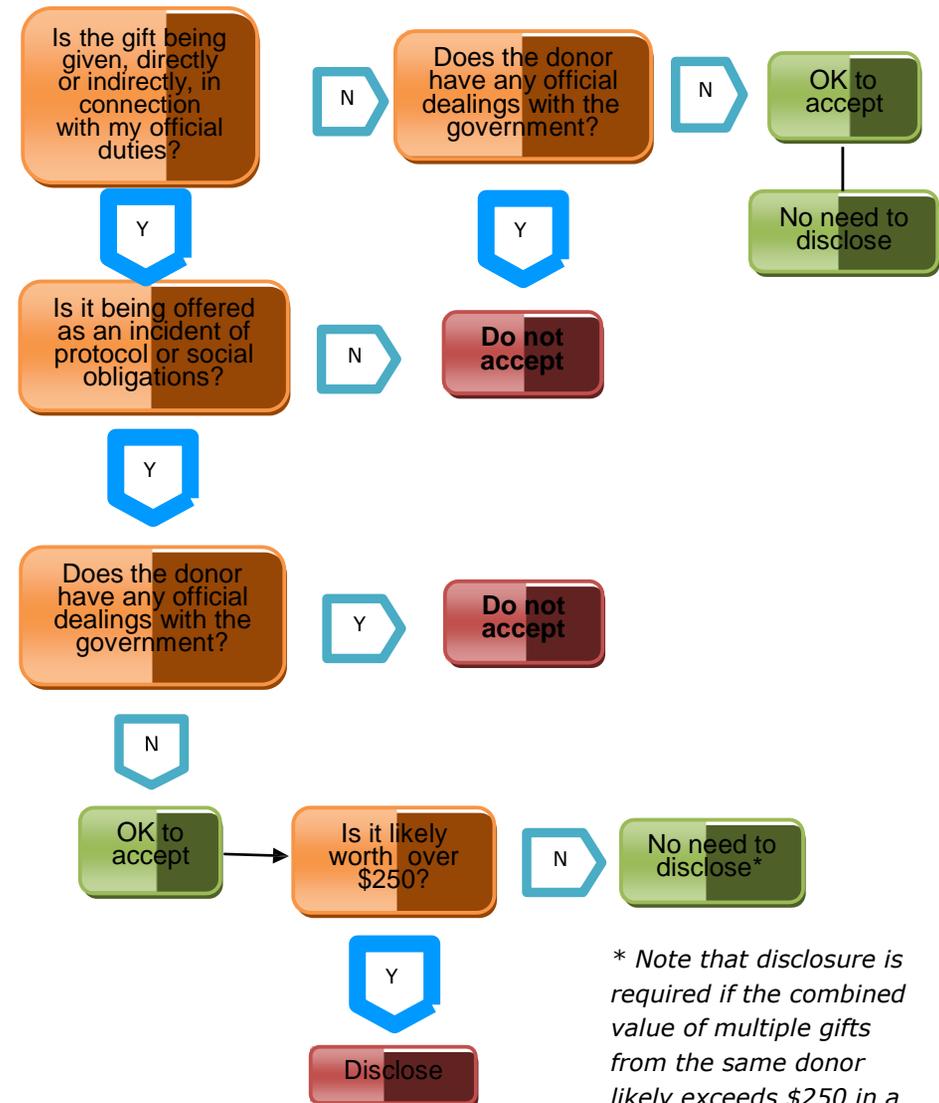
Organizers of fundraising events are often grateful for the presence of the constituency's elected representative at their event. Generally, you may accept such invitations as a social obligation. In most cases, the ticket price for a fundraising event is greater than the actual benefit you receive. For disclosure purposes, the value of the gift is the amount of the donation that is **not** tax deductible.

Example 1: A homeless shelter in your constituency invites you to a fundraising dinner. Tickets are \$300, \$225 of which is tax-deductible. The dinner is a personal benefit which you may accept as part of the protocol or social obligations of office. You do not need to disclose the gift as the value received is \$75.

Example 2: You have been invited to participate in a charity golf tournament. One of the major corporate sponsors of the event, a pulp mill operator, has offered to cover your entrance fees. As the sponsor is in an industry regulated by the Province, you should pay your own entrance fees if you participate.

This flowchart summarizes the **general** process to follow when offered a gift.

Accepting and Disclosing Gifts



* Note that disclosure is required if the combined value of multiple gifts from the same donor likely exceeds \$250 in a 12 month period.

Specific Types of Gifts

Prizes

Whether you may keep a prize depends upon whether you won it while acting in your official capacity or not.

Example 1: While on a family vacation, you win a free airline ticket in the airline's promotional contest.

You may keep the ticket as it is not connected to your official duties. It does not need to be disclosed.

Example 2: You are representing the Province at an event and your name is drawn for the door prize.

As this is a personal benefit connected to carrying out your official duties, it does not fit the exemption and you should graciously decline the door prize.

Even if you intend to forfeit or give away a gift or a prize, keep in mind that your obligations under section 7 of the Act still apply as you are the original recipient.

Regardless of the gift's final disposition, you must still consider whether it is appropriate to accept it in the first place and if so, whether it must be disclosed.

Complimentary Passes and Memberships

In summary, acceptability and disclosure depend on **who** the donor is and **how** the benefit will be used.

- ⇒ *Complimentary passes or memberships to private sports clubs, ski hills and other purely recreational facilities are generally prohibited.*
- ⇒ *If the donor is a public institution such as a museum or a zoo, use of the facility is considered a "marketing tool" and may be accepted. It must be disclosed if the value likely exceeds \$250.*
- ⇒ *If the donor is a private entity, it may also be appropriate to accept complimentary use of the facility if it helps you to carry out your responsibilities of office more efficiently.*

Keep in mind that you may only use such privileges while conducting official business.

Example 1: An airline company offers you a free pass to its airport lounges.

As the lounges provide a quiet and comfortable space in which to work while travelling on official business, you may accept. Disclosure is required if it is likely worth over \$250.

Example 2: A private golf and country club offers you a free membership.

As there is likely little or no use of the amenities that would help you carry out your official duties, you should decline the offer.

Airmiles/Bonus Points

Travel loyalty program benefits, such as airline frequent flyer points accumulated while traveling on official business, must not be used for personal benefit. Such benefits or discounts should be applied only against future official business travel or donated to a charity. If you donate your points to a charity, you may **not** accept a receipt for personal tax deduction purposes for the value of the points.

Promotional Items

There is a wide range of promotional items that you may be offered from a variety of donors. In most cases, these will be inexpensive trinkets such as pens and bags, but occasionally a more expensive item may be offered.

Regardless of the value of the item, it is important to consider whether it is appropriate for you to be seen to be endorsing or promoting the donor's product or activity.

Generally, items that promote public events or services are more acceptable than those promoting purely commercial interests. You should exercise caution particularly if the donor is regulated by or has official dealings with the government.

Example 1: A museum in a town in your constituency sends you a package which includes pens, posters, and other items promoting the town's 100th anniversary event.

You may accept the items as it is appropriate for you to show your support for such an important local event.

Example 2: You are attending an event sponsored in part by a forestry company. Guests at the event are given a travel mug prominently displaying the company's logo.

Although it is unlikely that such an inexpensive gift would be seen to influence your decision-making process, you should not accept the gift as it could be seen as an endorsement of that company.

Donating or Forfeiting Gifts

There is no specified threshold for forfeiting or donating gifts, but in practice our office suggests that gifts likely worth over \$250 which do not have a personal component should be either left in a government office or donated to a provincially owned institution, such as a museum.

You may also wish to donate a gift you have received to a local community organization or charity. If you decide to donate a gift, you may **not** claim the tax benefit.

Example 1: After giving a speech at a local service club, you are presented with a laptop computer worth \$1,200. You would like to donate the laptop to a local non-profit group.

You may accept the gift as an incident of protocol. If you do donate the laptop, you may not claim a tax benefit. It must be disclosed as it is worth over \$250.

Example 2: You receive a limited edition Robert Bateman print from an oil company operating in your constituency. You would like to donate the print to a local library.

Regardless of whether you intend to keep it or not, you should politely decline this gift, given that the company is in an industry regulated by government.

Donations

Some donors may suggest making a donation to a charity in your name. Any such donations should be made in the donor's name, not in your own. You may **not** claim the tax benefit for any such donation made.

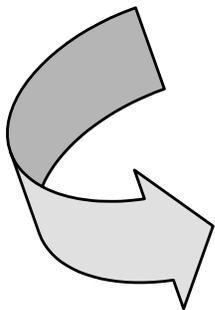
Sponsored Travel

“Sponsored travel” means travel on a commercial, non-commercial or private aircraft at a reduced rate or at no cost.

Most often, this situation arises when you are travelling to a remote location, and the only reasonable means of travel available is by private or corporate aircraft.

- ⇒ Sponsored travel is **generally prohibited**, unless there is no alternative.
- ⇒ Generally, you may accept sponsored travel if required to take part in a genuine “fact-finding event” related to carrying out your official duties.

You must seek the Commissioner’s approval before accepting sponsored travel, or disclose as soon as possible after traveling if pre-approval is not possible in the circumstances.



Describe the circumstances as fully as possible when seeking approval from the Commissioner.

The following chart provides guidance on a variety of sponsored travel scenarios you may encounter.

Circumstances	Acceptable?	Disclose? (if value likely over \$250)
Fact-finding tour within NB to a remote or inaccessible location, on a corporate or a private aircraft (no commercial flights available)	Yes, if connected to your official duties and there is a benefit to people of NB, e.g. the tour relates to an important employment sector in your riding or involves an industry related to your portfolio.	The estimated commercial value of the flight does not need to be disclosed because the gift has been made to the Province rather than to you personally.
Fact-finding tour or trade mission outside of NB, paid for by another level of government, foreign government or outside agency	Yes, if there is a logical connection to your official duties and there is a benefit to people of NB, such as enhancing trade opportunities.	The cost of the flight does not need to be disclosed because the gift has been made to the Province rather than to you personally.
Travel on a commercial or private aircraft for personal reasons, paid for by friend/family	Yes, if the friend or family member does not have official dealings with the government.	The value of the travel does not need to be disclosed, as it is not connected to your official duties.
Complimentary travel from an airline or other travel company	Prohibited. There is a clear inference of a <i>quid pro quo</i> down the line in order to get government business.	