



## **FIN-105: Gifts and Hospitality – 29 January 2023**

### **Purpose**

To provide guidance to INCOSE representatives about what is and is not appropriate to accept or offer as a present, offering, award, or token of appreciation to or from a member, vendor, supplier, potential member, or potential vendor or supplier.

INCOSE recognizes that Gifts and Hospitality can provide an important benefit in building and maintaining business relationships. At the same time, care must be taken to ensure that the giving or receiving of a gift is appropriate and transparent.

### **Applicability**

INCOSE representatives include INCOSE Officers, Directors, and other individuals in leadership positions; INCOSE employees or contracted staff; and INCOSE members when representing INCOSE.

Benefits offered by INCOSE explicitly outlined in other policies are excluded from the definition of gifts and hospitality under this policy.

### **Definitions**

#### Gifts and Hospitality –

The words "gifts" and "hospitality" can have multiple and varying definitions. For the purposes of this policy, gifts and hospitality include:

1. The gift of any goods or services.
2. The opportunity to acquire any goods or services free of charge or at a discount or at terms not available to the general public.
3. The offer of food, drink, favors, accommodation or entertainment, or the opportunity to attend any cultural or sporting event on terms not available to the general public.

Common gifts include pens, mouse pads, coffee cups, tee-shirts, memory sticks, and promotional items of a fair and reasonable value.

Common hospitality includes meals and refreshments of a fair and reasonable value.

The following items are not gifts, or hospitality for the purposes of this policy:

1. Common gifts and common hospitality



2. Modest items of food and refreshments such as soft drinks, coffee, and snacks, not offered as part of a meal
3. Greeting cards and items of little intrinsic value such as plaques, certificates, or trophies, which are intended primarily for presentation
4. Discounts or prizes in contests or competitions
5. Anything for which you pay fair market value
6. Anything that is paid for by INCOSE

#### Governing Body –

Consequences are addressed on a case by case basis by the governing body to which the INCOSE representative is representing. Examples of governing bodies are:

1. Certification reports to the Board of Directors, so the Officers.
2. Working Groups report through to TechOps, so TechOps.
3. Chapter representative, so the Chapter's governing body, etc.

#### **Receipt of Gifts and Hospitality**

INCOSE representatives shall be responsible for ensuring there is no conflict when receiving or being promised the offer of the gift or hospitality with their:

1. Government policies and regulations on this topic.
2. Employer's policies and regulations on this topic.

INCOSE representatives may not, directly or indirectly, solicit or accept a gift from an individual or organization that:

1. Is seeking official INCOSE action (Example: An INCOSE team wants to publish a book and is seeking INCOSE endorsement and invites BOD members to a professional sports event).

*Note –This does not include or address hospitality such as complimentary attendance and/or accommodation provided by the sponsor of an event to which you have been asked to present information on behalf of INCOSE. An example might be invitation to present at a corporate, chapter, or professional society event where the registration fees are waived. In this case, the invitee is not seeking specific decision by INCOSE, rather they are enabling INCOSE participation in their event.*



2. Does business or seeks to do business with INCOSE (Example – Potential supplier or vendor center offers Australian Rules Football season tickets).
3. Has interests that may be substantially affected by performance or nonperformance of the INCOSE representatives (Example: a SE Tool vendor could be impacted by an update to SysML).

### **Offering Gifts and Hospitality**

INCOSE representatives shall be responsible for ensuring there is no conflict when giving or offering the gift or hospitality with their:

1. Government policies and regulations on this topic;
2. Employer's policies and regulations on this topic.

INCOSE representatives shall seek approval from their immediate INCOSE leader, responsible for the funding the gift or offering, prior to making the commitment to give or offer the gift or hospitality.

INCOSE representatives may not, directly or indirectly, give or offer a gift to an individual or organization where:

1. INCOSE is seeking that organizations action: (Example: – providing an expensive bottle of champagne to an industry association president while negotiating the next MOA update.)

*Note –This does not include or address hospitality such as complimentary attendance and/or accommodation provided by INCOSE to support a specific event or meeting. In this case, the invitee is not seeking specific decision by INCOSE, rather they are enabling INCOSE participation in their event.*

2. INCOSE is pursuing a role or opportunity with the organization: (Example: While pursuing a role within a standards development organization where INCOSE would 'own' several standards, INCOSE representative offer gifts to several member organization representatives.)
3. INCOSE may be substantially affected by performance or nonperformance of the organization's representatives (Example: A company or agency is considering mandatory certification requirements for its systems engineers and/or those of its contractors, and INCOSE provides a gift to the individuals working this initiative.)



## **Registering the Giving and Receiving of Gifts and Hospitality**

### **Allowable Gifts and Hospitality**

When INCOSE representatives receive or are offered gifts or hospitality that are allowable under this policy, INCOSE Form FIN-FORM-03, Register of Gifts & Hospitality will be completed.

When INCOSE representatives give or offer gifts or hospitality that are allowable under this policy, INCOSE Form FIN-FORM-03, Register of Gifts & Hospitality, will be completed.

On completion of the form, the INCOSE representative is responsible for seeking the approval and signature of the President-Elect and submitting the signed-off form to the INCOSE Secretary. The INCOSE Secretary will archive these forms in the Connect environment and provide annual audits for policy compliance.

### **Gift and Hospitality Deviations**

When INCOSE representatives receive or are offered gifts or hospitality that are deviations from this policy, INCOSE Form FIN-FORM-04, Register of Gifts & Hospitality deviations will be completed.

When INCOSE representatives give or offer gifts or hospitality that are deviations from this policy, INCOSE Form FIN-FORM-04, Register of Gifts & Hospitality deviations will be completed.

The INCOSE representative's governing body is to ensure the behavior is not to be repeated.

On completion of the deviations form, the governing body is responsible for any required actions, informing the President-Elect, and submitting the signed-off form to the INCOSE Secretary. The INCOSE Secretary will archive these forms in the Connect environment and provide annual audits for policy compliance. The INCOSE Secretary will also monitor the deviations logged and flag to the Officers if clarification to policy is required, or a poor pattern of behavior is emerging.

## **Consequences of Non-Compliance**

Regarding non-compliance in the giving of a gift/hospitality, the respective governing body may be required to follow up with recipient/organization and any other related party that may be impacted, to minimize any ramifications.

Regarding non-compliance in the acceptance of a gift/hospitality –

- The handling of the gift between the INCOSE representative and the respective governing body is agreed to. It will either be returned if appropriate to do so or re-allocated for the



betterment of the INCOSE community, e.g., sponsoring a student or STEM activity if monetary in nature.

- The respective governing body may be required to follow up with giver/organization and any other related party that may be impacted, to minimize any ramifications.

### **Related Policies**

N/A

### **Related Procedures, Templates, and Forms**

FIN-FORM-03 Register of Allowable Gifts & Hospitality Given or Taken

FIN-FORM-04 Register of Gift & Hospitality Deviations Given or Taken

**SUPERSEDES:** FIN-105 dated 1 February 2021

**APPROVED BY:** INCOSE Board of Directors, Q1 BoD Meeting Torrance CA, 29 January 2023

**MAINTAINED BY: (RACI Responsible R):** Secretary

**POLICY OWNER: (RACI Accountable A):** President