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## Standards of Conduct for ERFC Staff

The executive staff (Employment Grades 27 and above) of the Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is governed by the Fairfax County Public Schools' (FCPS) School Board Policy 4430.5 (Conflict of Interest).

For the sake of clarity, the following guidelines have been adopted by the ERFC Board of Trustees to assist ERFC staff to operate within both the School Board Policy and the fiduciary standards commensurate with their positions when administering the ERFC Defined Benefit Plan and investing assets on behalf of the Board of Trustees. Because retirement issues and the investing of funds are not the normal realm of FCPS staff, the School Board Policy does not define clearly some of the relationships that are required to do due diligence and to gain the knowledge required by the ERFC staff. Moreover, it is the expectation that each staff member shall adhere to the highest fiduciary standards and not simply the letter of the law.

In order to assure that staff members' actions are free from conflicts of interest, as well as an unacceptable perception of a conflict of interest, the general rule is that staff members and members of their immediate families may not solicit or accept gifts from persons described in paragraph 2 unless an exception described in paragraphs 2 – 4 applies. "Gifts" and "immediate families" are defined in paragraph 1. In addition, certain gifts that may be accepted must be disclosed to the Board of Trustees, as described in paragraph 5.

**1. Definitions.** These terms are defined as follows for purposes of these Standards of Conduct:

- a. **Gift.** A gift means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value, for which the staff member neither paid nor rendered services in exchange. It includes services as well as gifts of transportation, travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. It does **not** include:

- i. an offer of a ticket, coupon, admission or pass that is not used;
  - ii. an honorary degree;
  - iii. a scholarship or financial aid awarded by a public or private school, institution of higher education, or other educational program pursuant to such institution's financial aid standards and procedures applicable to the general public;
  - iv. a campaign contribution properly received and reported pursuant to Virginia Code §§ 24.2-945 *et seq.*;
  - v. any gift related to the private profession or occupation of a staff member or occupation of a member of the staff member's immediate family or to the volunteer service of a staff or a member of the staff's immediate family;
  - vi. food or beverages consumed while attending an event at which a staff member is performing official duties related to ERFC;
  - vii. food or beverages consumed at, or registration or attendance fees waived, for any event at which a staff member is a featured speaker, presenter, or lecturer;
  - viii. attendance at a reception or similar function serving only food and beverages "that can be conveniently consumed by a person while standing or walking";
  - ix. unsolicited awards of appreciation or recognition in the form of a plaque, trophy, wall memento, or similar item that a staff member receives in recognition of the staff member's public, civic, charitable, or professional service; or
  - x. gifts from relatives or personal friends.
- b. **Relative**. A relative includes the staff member's spouse or a person to whom the staff member is engaged to be married; a child, parent, step-parent, grandparent, step-grandparent, grandchild, or step-grandchild of the staff member or the staff member's spouse; and the staff member's brother, step-brother, sister, step-sister, niece, nephew, aunt, uncle, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or first cousin.
- c. **Immediate Family**. Immediate family includes the staff member's spouse and any other person who resides in the staff member's household and is a dependent of the staff member.
- d. **Personal Friend**. Four factors will be considered when determining whether a donor is a personal friend of a staff member: (i) the circumstances under which the gift was offered; (ii) the history of the relationship between the staff member and the donor, including the nature and length of the friendship and any previous exchange of gifts between them; (iii) to the extent known to the staff member, whether the donor personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (iv) whether

the donor has given the same or similar gifts to other persons required to file the disclosure form prescribed under certain sections of the Virginia Code.

e. **Widely Attended Event.** A “widely attended event” is defined as an event which at least 25 persons have been invited to attend, or are expected to attend, and which is open to people who (i) are members of a public, civic, charitable, or professional organization; (ii) are from a particular industry or profession; or (iii) represent persons interested in a particular issue. In general, if the staff member is attending a convention or meeting at which a service provider sponsors an event such as a meal or golf outing for the entire attendance at the conference, it will be considered a widely attended event.

## **Standards of Conduct**

### **2. Gifts and Entertainment Generally.**

Staff members and members of their immediate families shall not solicit, accept, or receive gifts with a cumulative value in excess of \$100 in a calendar year from any person that the staff member knows or has reason to know is a party to a contract with ERFC or is a service provider who would want to become a party to a contract with ERFC (including an officer, employee, or owner of an organization that is party to a contract or would want to become party to a contract with ERFC), or a person who is registered as a lobbyist in Virginia or is the principal of such a registered lobbyist. Gifts with a value of less than \$20 are not subject to aggregation for purposes of the \$100 limit. As an exception, gifts from a personal friend may be accepted in excess of the \$100 limit if they are made on the basis of personal friendship, even though the personal friend is a person that the staff member knows or has reason to know is a party to a contract with ERFC or is a service provider who would want to become a party to a contract with ERFC (including an officer, employee, or owner of an organization that is party to a contract or would want to become party to a contract with ERFC), or a person who is registered as a lobbyist in Virginia or is the principal of such a registered lobbyist. In addition to the \$100 limit, staff members shall not solicit or request gifts of material value, including travel or entertainment, that exceed normal and proper business practices nor gratuities that single them out for special favor. For example, staff members will not accept golf weekends, Super Bowl tickets, etc. A nominal gift from a business, tokens of business identification or a standard holiday gift given by a business to its clients may be accepted from any source, if it is consistent with the annual \$100 limit. In accepting any such item, it must be clear to the staff member and the business provider that there is absolutely no indebtedness established by such a token.

### **3. Invitations from Service Providers.** On occasion, staff members are invited to dinners and special events sponsored by businesses that are current service

providers or that in the future may be interested in providing services to the Board (but are not actively competing for selection). Staff members may attend, provided that these events are within normal business practices and are for the purpose better knowing the providers and the services they offer, but only if the value of the food and beverages (or other event costs) per person is consistent with the annual \$100 limit, or if the dinner or special event is a widely attended event. In all cases, it must be clear to prospective service providers that attending the event in no way binds or indebts the staff members. In general, solicitations to a staff member by vendors should be referred to the Executive Director/CIO).

**4. Invitations from Service Providers That Are Actively Seeking Business from ERFC.** Staff members should take special precaution in their contact with providers that are actively seeking to do business with the System. A staff member may attend a reception or dinner sponsored by such a prospective provider at a conference or similar meeting, if the reception or dinner is consistent with the annual \$100 limit, or if the reception or dinner is a widely attended event. If the executive director participates in a sponsored external business meeting to which the Board of Trustees is not invited, the executive director shall disclose his or her meeting activities to the executive committee of the Board of Trustees. Other executive staff members attending such events shall disclose their activities to the executive director.

**5. Reporting of Gifts.** Staff members shall report to the Board the following gifts valued in excess of \$100:

- A gift of food, beverages, entertainment, or cost of admission received in connection with a widely attended event.
- A gift from a foreign dignitary provided that the gift is accepted on behalf of the locality and is archived in accordance with established guidelines.

Staff members may use the "Report of Receipt of Gifts" form to report the gift to the Board.

**6.** Each executive staff member shall acknowledge these Standards of Conduct upon entering employment and annually, thereafter, at the beginning of each fiscal year.

**The undersigned does hereby acknowledge that he/she has read these Standards of Conduct and FCPS School Board Policy 4430.5, that he/she is bound by both these Standards of Conduct and Policy 4430.5, and that he/she will act in accordance with them.**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

## ERFC Staff Report of Receipt of Gifts

Pursuant to the ERFC Staff Standards of Conduct, this form may be used to report gifts, as defined in the Standards of Conduct, received by a staff member or a member of the staff's immediate family.

**Staff member name:** \_\_\_\_\_

**I, or a member of my immediate family, received the following gift(s) from the individual, business, or organization identified below:**

**Name of person who received the gift:**

\_\_\_\_\_  
(Name)

**Name of individual, business, or organization who gave the gift:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(City and state where individual, business, or organization is located)

**Tangible Gift**

Date tangible gift received: \_\_\_\_\_

Please describe the gift:

\_\_\_\_\_

Approximate value:

\_\_\_\_\_

**Meal**

Date intangible gift received: \_\_\_\_\_

Please describe the meal:

\_\_\_\_\_

Approximate value:

\_\_\_\_\_

## ERFC Staff Report of Receipt of Gifts

**Entertainment**

Date intangible gift received: \_\_\_\_\_

Please describe the entertainment:

\_\_\_\_\_

Approximate value:

\_\_\_\_\_

**Tickets**

Date intangible gift received: \_\_\_\_\_

Please describe the tickets:

\_\_\_\_\_

Approximate value:

\_\_\_\_\_

**Other**

Date intangible gift received: \_\_\_\_\_

Please describe:

\_\_\_\_\_

Approximate value:

\_\_\_\_\_