

R. McCONNELL GROUP PLLC

A BOARD GUIDE

Gifts & Entertainment



When business courtesies are acceptable—and when they aren't

Giving and receiving gifts, meals, and entertainment: value thresholds, the six standards, prohibited items, government and state-owned-enterprise risk, and reporting

Why Gifts & Entertainment Matter

A courtesy and a bribe can look identical from the outside

Judgment, protected

Gifts should never compromise, or appear to compromise, your business judgment or integrity

The bribery line

A gift tied to a business decision can become an illegal bribe or kickback

Transparency expected

Clear standards keep gift-giving open and free of hidden influence

Both directions

The same rules apply whether the organization gives or receives

RULE OF THUMB

Receiving gifts or entertainment should never compromise—or even appear to compromise—your business judgment

The Six-Part Gift Test

Every gift must satisfy all six standards before it can be accepted

Customary and nominal

Reasonable, infrequent, and modest in aggregate value—never lavish

Not a bribe

Cannot be construed as payment to influence or reward a decision

Not during negotiations

Never given during, or shortly before, a contract negotiation or renewal

Never cash

No cash, cash equivalents, gift cards, vouchers, or securities

Manager approval

Obtain your manager's approval before accepting a covered gift

Within the threshold

Gifts must fall below the company's defined monetary limit

Special Rules for Meals & Entertainment

Meals and entertainment follow related but distinct rules

Meals, not lavish

Meals need not meet the gift limit but cannot be lavish

Host must attend

Entertainment requires the other party's representative to be present

Business purpose

A reasonable business purpose must support attending the event

No paid travel

Invitations covering your travel and accommodation cannot be accepted

Conferences allowed

Business conferences are acceptable with approval and the six standards

Customary frequency

Hospitality from any one source must not become excessive

Hard Limits

Gifts and entertainment that are never acceptable, given or received

Cash or cash equivalents

Securities or shares

Commissions or profit shares

Personal loans or financing

Solicited or demanded gifts

Gifts during negotiations

Anything creating a conflict

Disrespectful entertainment

Gifts to government officials

SPEAK UP

Report to your manager any offer of an inappropriate gift or hospitality that you have refused

Definitions

Gift

Any item of value given without fair-market value in return—tangible or intangible

Entertainment

Attendance at an event with the host present and a reasonable business purpose

Customary / ordinary course

Reasonable, not uncommon, and not lavish, given the recipient's role and seniority

State-owned enterprise

A partner owned or controlled by government; even modest courtesies may be bribes

Questions the Board Should Ask

A few questions reveal whether courtesies are controlled

1

Do we have a clear monetary threshold for gifts?

A defined limit plus manager approval removes guesswork at the moment of decision

2

How do we treat government counterparts?

Even modest gifts or meals to officials can be construed as bribes

3

Are gifts during negotiations clearly off-limits?

Timing near negotiations or renewals creates an appearance of influence

4

Does the policy apply to giving and receiving?

Limits must run both ways and extend to relatives acting for an employee

Firm Lawyers

Matthew Boyden

is a trial lawyer and former federal prosecutor with more than thirty-five years of experience. He represents companies and executives in high-stakes criminal, civil, regulatory, and governance matters, and is regularly engaged where litigation risk, regulatory scrutiny, and institutional exposure intersect. His practice includes federal criminal defense, complex civil litigation, internal investigations, and board-level advisory work, including securities, sanctions and trade controls, anti-corruption, and anti-money laundering.

Larry Finder

is a trial lawyer and former United States Attorney with more than four decades of experience handling complex criminal, civil, and regulatory matters of national significance. He represents individuals, corporations, and boards confronting serious legal, institutional, and reputational risk. He served in increasingly senior roles at the U.S. Department of Justice, including Chief of the Criminal Division and First Assistant U.S. Attorney, before being appointed United States Attorney for the Southern District of Texas in 1993.

Ryan McConnell

is a former federal prosecutor and trial lawyer who represents companies, boards, and executives in high-stakes criminal, civil, and governance matters. He has tried nearly twenty federal jury trials and conducted hundreds of investigations involving complex fraud, cross-border enforcement, and sensitive regulatory issues. His practice focuses on federal criminal defense, complex civil litigation, internal investigations, and advising boards and senior executives on matters requiring judgment under pressure.