

# Cumberland County Hospital System, Inc.

## Administrative Policy - Procedure

<b>TITLE:</b> <b>Gifts or Other Items of Value from Vendors, Contractors or Suppliers</b>	<b>POLICY NUMBER</b>	<b>APPROVED BY</b> <b>MN</b>	<b>EFFECTIVE DATE</b> <b>4/11/05</b>	Page 1 of 4
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**POLICY:** Cape Fear Valley Health System (CFVHS) procures and administers contracts for goods and services without regard for interests, financial or otherwise, that are not related to the business contract.

**PURPOSE:** To comply with federal, state, and other pertinent laws, rules, and regulations, and to avoid the actual occurrence of or the appearance of any improper conflict of interest in the procuring and administration of contracts for goods and services.

**SCOPE:** To describe the parameters regarding the acceptance by CFVHS employees of gifts or other items of value from vendors, contractors, suppliers or other organizations with which CFVHS conducts business. This policy applies to all CFVHS departments, officers and employees. For purposes of this policy, “Vendors, Contractors or Suppliers” are referred to collectively as “Contractors” and include any organization (and the employees of such organization) that: 1) currently have a contract with CFVHS for the provision of goods or services, 2) have performed under a contract with CFVHS for the provision of goods and services within the past year, or 3) anticipate bidding on such a contract in the future.

**DEFINITIONS:**

Gift, token, favor or other item: Something voluntarily given to one person from another without compensation, this includes but is not limited to food, objects, gift certificates, etc. Gifts of cash are classified as gratuities (See Personnel Policy # 706 Employee Responsibilities).

Nominal value: Gift, token, favor or other item with a value of less than \$25.00.

**GUIDELINES:**

1. **No solicitation/No acceptance:** CFVHS officers or employees are not to request or solicit gifts, favors, invitations or services of value from a Contractor. If a Contractor offers a CFVHS officer or employee a gift, favor, invitation or other item, no such gift, favor, invitation, or other item is accepted by the CFVHS officer or employee except in accordance with the following procedures in the relevant section. If there is any question whether it is permissible to accept a particular gift, favor, invitation or other item, the CFVHS officer or employee is to contact his or her Department Director, division Vice President, or the Corporate Compliance Officer.

<b>Revised Effective</b> 4/30/07, 6/28/10	<b>Reviewed/No Change</b> 3/23/09, 8/31/09	<b>Originating Department:</b> Corporate Compliance	<b>Did this Policy Replace Another Policy? Yes No X</b>	<b>If Yes, Old Policy Title:</b>
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**2. Meals, social events and entertainment:**

- a. Meals provided by a Contractor in connection with an on-site promotional, training, or educational session may be accepted provided that the meal is of nominal value and the provision of such meals by the Contractor at issue occurs only occasionally. NOTE: Meals provided by a contractor are secondary to the event. That is, the primary purpose of the meeting is not the meal but the promotional, training or educational session.
- b. CFVHS officers and employees may accept an invitation to a sporting event or other type of entertainment event so long as the CFVHS officer or employee, or CFVHS on behalf of the officer or employee, pays the fair market value of attending the event and meals or food provided in connection with the event.
- c. CFVHS officers and employees may accept an invitation to a personal social event hosted by a Contractor so long as the invitation is based on a personal and not a business relationship, and so long as the CFVHS officer or employee is not treated differently from other invitees or in a manner which takes into account the business relationship between the Contractor and CFVHS.

**3. Gifts, favors or other items of value:**

- a. Consumable or perishable items, such as baked goods or flowers, and other items of nominal value may be accepted by a CFVHS officer, employee or Department, so long as such items are offered by the Contractor only on an occasional basis; provided, however, that such items may not be accepted from a pharmaceutical manufacturer if offered to a health care professional.
- b. Advertising items or tokens of nominal value, such as pens, pads and magnets, may be accepted by a CFVHS officer, employee or Department, so long as such items are offered by the Contractor only on an occasional basis. If a pharmaceutical manufacturer to a health care professional offers such items, such items must relate to the health care professional's practice.
- c. Customary gifts or favors between officers or employees and their friends and relatives or the friends and relatives of their spouses, minor children, or members of their household are permissible where it is clear that the gift is given based on the friendship rather than a business relationship. These gifts given directly from the Contractor to a CFVHS officer or employee are reported by the officer or employee to his or her Department Director or the Corporate Compliance Officer.
- d. Employees report gifts they receive to their Department Director. Department Directors or designee maintain a log of gifts that are received in their departments. The log is made available for review by the Vice President or the Corporate Compliance Officer.

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**4. Contractor-Sponsored Promotional Training and Seminars:**

- a. A CFVHS employee or officer may attend training or education provided by any Contractor or by an entity or organization engaged by such Contractor for the purpose of supporting, explaining or promoting its products or services, or for the purpose of bona-fide continuing education. The expenses of attending such training or education, including registration fees, reasonable travel, lodging and meal expenses, may be borne by the Contractor only to the extent such training or education and specified expenses related thereto are explicitly included in the services provided pursuant to the contract between CFVHS and a Contractor. In other circumstances, except as described in Section 4.B, the CFVHS employee or officer, or CFVHS on behalf of the employee or officer, is to pay the fair market value of attending Contractor-sponsored training.
- b. A CFVHS employee or officer may attend training or education provided by a Contractor during the Request for Proposal (RFP) process, if such training or education is for the purpose of educating the RFP selection committee members about the products and services offered by the Contractor. The reasonable expenses of attending such training or education, including reasonable travel, lodging and meal expenses, may be borne by the Contractor.
- c. A CFVHS employee or officer may attend seminars, conferences, group meetings or other educational sessions sponsored and hosted directly by a Contractor if the CVHS employee or officer, or CFVHS on behalf of the employee or officer, pays the fair market value of attending the Contractor-sponsored seminar, conference, group meeting or other educational session.
- d. Notwithstanding the above, a CFVHS employee or officer may accept one or more meals in connection with Contractor-sponsored training or seminars, so long as the event is not limited to CFVHS employees and officers, the meal(s) are offered on an equal basis to all participants of the event, the meal(s) are of nominal value, and the provision of the meal(s) does not take into account the business relationship between the Contractor and CFVHS.

**5. Reporting of gifts, favors, invitations or other items of value:** If any gift, favor, invitation or other item of value is accepted by a CFVHS employee in accordance with the procedures set forth above, such CFVHS employee reports the receipt of such gift, favor, invitation or other item of value to his or her Department Director. Each Department maintains a log of such gifts, favors, invitations or other items.

**6. Permissible and Impermissible Activities:** Employees consult their Department Director if they are unsure if an activity or gift is permissible. Corporate Compliance/Internal Audit/HIPAA office may also be contacted for guidance.

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- 7. Violators Subject to Disciplinary Action:** A CFVHS employee who fails to comply with this policy is subject to disciplinary action, up to and including but not limited to dismissal. In addition, violation of this policy may in some circumstances constitute a crime under North Carolina law.