As a public institution, the University of Michigan is committed to an environment that fosters open decision-making, practices, and policies. One business objective is to select vendors and suppliers based on the quality of their respective products and services and to do so in a manner which exhibits to any interested citizen that we live up to our stated principles.

Plant Operations (PO) at the University of Michigan is comprised of many diverse units that interface with a variety of businesses in the public sector with differing norms of business behavior. Due to this diversity and the breadth of job responsibilities among its many employees, the following Vendor Gift and Gratuity policy is meant to offer further definition and clarification to the existing language contained in the Gifts and Gratuities section of the University of Michigan Standard Practice Guide (Section 507.1: Purchasing – General Policy and Procedures).

This Vendor Gift and Gratuity policy is also intended to clarify and define the limits of acceptable employee behavior within Plant Operations. It is recognized and understood that some or all Plant Operations units may opt for a more stringent or “no tolerance” policy. Further, this policy does not exempt employees from conformance with specific Codes of Conduct for their respective professions.

Gifts, gratuities, and entertainment are defined as anything given because of a business relationship for which the recipient does not pay fair market value. This includes such things as meals, material goods, travel and accommodations, tickets to sporting or cultural events, golf outings, preferential discounts, and any other merchandise or services. This also includes vendor paid site visits or training for University employees unless stipulated as part of a formal contract.

Typically, business gifts, services, gratuities, and entertainment are forms of courtesies designed to build and/or enhance teamwork, partnerships, and goodwill between various business entities. Ethical problems arise when these items compromise an individual’s ability to make objective and fair business decisions. Unfortunately, even the perception of compromise to an outside observer can be very damaging to the image of a department and inconsistent with the University’s overall operating principles.

For these reasons, Plant Operations employees should not accept gifts, services, or gratuities from vendors or potential vendors. In the event an employee accepts an invitation to business meals, entertainment etc, any expenses incurred by a Plant Operations employee in the course of these actions/activities should be borne by the employee.

This policy does not apply to unsolicited materials of a general nature and nominal value, such as imprinted pencils, memo pads, calendars, coffee mugs, baseball caps, T-shirts, or other similar items. These types of gifts are permitted, provided they are given as a gesture of a professional relationship, and do not involve a commitment having to do with the transaction of business.

Plant Operations employees and their family members are prohibited from requesting gifts, services, gratuities, or access to entertainment activities from any vendors or potential vendors.
Due to the myriad of situations encountered daily within Plant Operations, one policy cannot cover every eventuality that an employee may encounter. The expectation is that all Plant Operations employees are professionals with the capacity to exercise sound business judgment. Everyone must carefully weigh the business interest involved against the public perception. In difficult situations, the following guiding questions should be asked of oneself before accepting the gift etc:

- Is it (event, activity, item, etc.) clearly related to the conduct of business?
- Is it of moderate, reasonable, or nominal value, and in good taste?
- Would I feel comfortable owning up to the giving or receipt of this gift in front of other customers and vendors, other employees, manager or supervisor, family members, or the media?
- Is there any pressure to reciprocate or grant special favors as a result of this gift?
- Is it certain the gift does not violate any law or business regulation?

If employees are still uncertain about specific situations, they should consult their department managers to obtain an objective perspective of the situation and should always choose the most cautious approach to avoid even the slightest perceptions of impropriety.

For more information on The University of Michigan Guidelines, log on to the SPG website at: http://spg.umich.edu/