



New York State Teachers' Retirement System

10 Corporate Woods Drive

Albany, NY 12211-2395

(800) 356-3128 or (518) 447-2666

Web Site: www.nystrs.org

**Policy Governing Receipt of Gifts
Under the NYSTRS Code of Ethics**

Revision Date 10/27/11

- I. A gift is anything of value given to a System Retirement Board member or employee. It may be in many forms including, but not limited to:
 - A. Money;
 - B. Service;
 - C. Loan;
 - D. Travel;
 - E. Meals;
 - F. Refreshments;
 - G. Lodging;
 - H. Entertainment;
 - I. Discounts not offered to the public, but rather on the basis of status as a System Retirement Board member or employee of NYSTRS;
 - J. Promise of favor; and,
 - K. Forgiveness from debt or obligation.
- II. The offer of reciprocity or actual reciprocity does not negate receipt of a gift.
- III. A System Retirement Board member or employee may not designate another person or entity (e.g., charity) to receive a gift.
- IV. Gifts may never be solicited.
- V. Gifts may not be accepted in circumstances where accepting the gift would create a real or perceived conflict of interest with the proper discharge of the System Retirement Board member's or employee's official duties.
- VI. Since a perceived conflict of interest is likely if the source of the gift is among the following, gifts may not be accepted from such sources, except as specifically permitted by this policy.
 - A. A person or entity who seeks or may seek to do business with NYSTRS.
 - B. A person or entity that currently does business with NYSTRS.
 - C. A person or entity whom has litigation adverse to NYSTRS.
 - D. A person or entity whose interest(s) are affected by NYSTRS decision-making authority.
 - E. A person or entity who appears before or negotiates with NYSTRS.

VII. Forms of Gifts and Exceptions

A. Travel Expenses

Travel expenses (including ground transportation) are generally prohibited with the following exceptions:

1. Travel provided in conjunction with attendance at an Annual Meeting/ Fund Advisory committee/LP/Board meeting in relation to an existing NYSTRS investment where attendance is necessary to fulfill NYSTRS' fiduciary responsibility with respect to the investment, and where such expenses are paid for all investors, board or committee members attending the meeting.
2. Group transportation via rental cars when touring properties.
3. Group ground transportation provided to all conference/meeting attendees when attending a conference or meeting.

B. Lodging

Lodging is generally prohibited with the following exceptions:

1. Lodging provided in conjunction with attendance at an Annual Meeting/ Fund Advisory committee/LP/Board meeting in relation to an existing NYSTRS investment where staff attendance is necessary to fulfill NYSTRS' fiduciary responsibility with respect to the investment, and where such expenses are paid for all investors or board or committee members attending the meeting.

C. Entertainment/Recreational Activities

Entertainment and recreational activities are generally prohibited with the following exceptions:

1. Activities included in a conference fee at a conference sponsored by a non-vendor third party (e.g., NCTR, NASRA, etc.). Activities must be on the conference agenda and open to all attendees.
2. Even if widely attended and on the agenda, activities at an Annual Meeting/Fund Advisory committee/LP/Board meeting or a vendor sponsored/client conference are permitted only if the System Retirement Board member or employee pays the full cost of attendance and there is no benefit afforded the System Retirement Board member or employee as a result of the relationship with the vendor or business partner. Factors to be considered include access and discounted costs (i.e., reimbursing the vendor for tickets to attend a sold out sports event would not be permissible, even if the vendor is reimbursed, since tickets would not be available, but for the relationship). Prior approval must be obtained and proof of payment must be provided.

D. Food and Beverage

Meals are generally prohibited with the following exceptions:

1. Meals provided in conjunction with attendance at an Annual Meeting/ Fund Advisory committee/LP/Board meeting in relation to a NYSTRS investment where staff attendance is necessary to fulfill NYSTRS' fiduciary responsibility with respect to the investment, and where such expenses are paid for all investors, board or committee members attending the meeting.
2. A group meal at a non-vendor conference that is on the agenda and open to all attendees.

3. Vendor sponsored hospitality rooms at a conference if the reception is on the agenda and open to all conference attendees.
4. Modest refreshments, including breakfast or lunch, brought into a meeting site during a working meeting.
5. Modest refreshments at a vendor sponsored educational seminar/conference (e.g., coffee, water, bagels, cookies, etc.).
6. Group meals at widely attended events sponsored by a borrower/broker at a large real estate conference/event, which is attended by NYSTRS in its capacity as a mortgage lender. Attendance at the meal must serve a compelling business purpose. If known in advance, prior authorization must be received. If not known, immediate disclosure or attendance must be made upon return from the event.

E. Holiday Gifts

Holiday gifts are prohibited.

NYSTRS will send an annual letter to all business partners requesting holiday offerings not be sent, including charitable contributions made on behalf of an employee or NYSTRS. If gifts are sent, a reinforcement of the policy will be communicated. Non-perishable items will be returned. Perishable items will be placed in a public area in the building, and a reinforcement of the policy will be communicated.

F. Promotional Items/Raffles

Promotional items and raffles are prohibited unless:

1. Of nominal value; or,
2. Given as part of a vendor fair at a conference and available to all attendees of the conference; or,
3. Received as part of a contest or raffle open to all participants in a widely attended event, such as a conference. If a large gift (i.e., electronics, bike, etc.) is won, the System Retirement Board member or employee must disclose the winnings and certify that the raffle met these criteria.

G. Gifts from Family Members/Personal Friends Who Have or May Have Business Dealings with the System

1. Gifts or invitations to attend personal or family social events from a family member, member of the same household or person with a personal relationship may be accepted, if the circumstances clearly establish that it is the family, household or personal relationship that is the primary motivating factor in the gift and/or invitation. In determining the motivation, the following factors will be considered:
 - a. The history and nature of the relationship between the parties;
 - b. Whether items/invitations have been historically exchanged; and,
 - c. Whether the same or similar gifts/invitations were provided to other business partners.
2. Under no circumstances will such an exchange be considered to be based on the family or personal relationship, if the donor seeks to charge or deduct the cost as a business expense, or is otherwise reimbursed for the cost.
3. Similarly, personal relationships which result from the business relationship would typically not meet the criteria for this exception. Accordingly, in this circumstance you must seek guidance prior to

accepting any gift and/or invitation.

H. Gifts from Customers

Staff may accept modest gifts (of a non-cash nature) from customers in appreciation for excellent service. An example is flowers sent to an employee who helped a member with an issue.

VIII. NYSTRS Staff Prior Approval

Attendance at conferences must be approved in advance. A Conference Request Form must be completed and submitted to the Manager/Executive, as appropriate. Attendance at client conferences/events also requires the approval of the Executive Director or designee.

IX. NYSTRS Staff Review Procedures

- A. Because determinations are often fact specific, a staff member, who after reviewing this policy is uncertain as to the appropriateness of a particular situation, should seek advance approval from their Manager or Executive, who will consult with the Executive Director or designee, as necessary. Such approval should be sought in advance.
- B. In rare circumstances where advance approval is not possible, staff should:
 1. Exercise their best judgment consistent with the policy; and,
 2. Report anything accepted after the fact for review.
- C. If an after the fact review results in disapproval, NYSTRS will determine the appropriate response based on all of the fact and circumstances, including whether the staff member exercised reasonable judgment given the direction provided in the guidelines. Possible responses include, but are not limited to, educating the staff member for future reference, requiring the staff member to reimburse the donor for the cost of the gift, and/or counseling or disciplinary action if the staff member was found to have acted in a manner contrary to the direction provided in this policy.