



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

ORDER

3730

Subject: Reporting of Foreign Gifts and Decorations

JUL 26 2006

1. **PURPOSE.** The purpose of this order is to ensure that all U.S. Department of Transportation (DOT) employees are aware of individual responsibilities regarding the acceptance, retention, and disposition of gifts (tangible or intangible) and decorations tendered by members of foreign governments or multinational representatives.
2. **SCOPE.** The provisions of this order apply to all DOT employees.
3. **BACKGROUND.** This order establishes policies and procedures governing the acceptance, use, and final disposition of gifts received from foreign dignitaries or representatives by DOT employees on behalf of the department. Section 7342 of Title 5, United States Code governs the receipt and disposition of gifts and decorations tendered by foreign governments to Federal employees, their spouses, or dependents. Section 7342 grants limited authority, from Congress, for Federal employees to accept certain gifts and travel reimbursements under specified conditions.

This DOT order establishes procedures and reporting requirements for foreign gifts to the Office of the Secretary of Transportation (OST) Executive Secretariat accepted by DOT employees. DOT employees must follow the minimal reporting requirements in section 8 of this order. The Department is required to report annually to the U.S. Department of State gifts received which are over the threshold minimum value determined by the General Services Administration (GSA).

4. **EFFECTIVE DATE.** Effective immediately.
5. **REFERENCES.**
 - a. 5 U.S.C. 7342, governing the receipt and disposition of foreign gifts and decorations.
 - b. 41 C.F.R. Part 102-42, Utilization, Donation and Disposal of Foreign Gifts and Decorations.

6. **DEFINITIONS.** .

- a. **Decoration** – an order, device, medal, badge, insignia, emblem, or award offered by or received from a foreign government.
- b. **Employee** – an employee of the Department, including a full-time employee as well as an expert or consultant and including any spouse (unless separated) and dependents of the employee.
- c. **Foreign Government** – any unit of foreign governmental authority, including any foreign national, State, local, or municipal government; any international or multinational organization whose membership is composed of any unit of foreign government described herein; and, any agent or representative of any such unit or such organization, while acting as such.
- d. **Gift** – a tangible or intangible present (other than a decoration) tendered by or received from a foreign government.
- e. **Minimal Value** – a retail value in the United States at the time of acceptance not in excess of the amount specified by the Administrator of GSA. This amount is set by GSA with respect to foreign gifts in regulations found at 41 CFR Part 102.42-10 and is currently \$305.00, subject to periodic adjustments under those regulations. Note: The value is updated every 3 years and published in the Federal Register.
- f. **Useful Life** – The estimated period of economic usefulness of a capital asset.

7. **POLICY.** Employees are prohibited from encouraging, soliciting, or otherwise requesting the tender of gifts from foreign governments or their representatives. Under the 5 U. S. C. 7342, Congress specified certain conditions where employees may accept gifts from a foreign government. These conditions are listed below:

- a. Employees may accept gifts when tendered as a souvenir or mark of courtesy if the value is estimated at the time of acceptance to be within minimal value (See note above in definitions).
- b. Decorations, including any order, device, medal, badge, insignia, or emblem or award from a foreign government may be accepted, retained, and worn only if tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance and only upon approval of the Secretary of Transportation.

- c. Gifts of travel or expenses for travel (transportation, food, and lodging) taking place entirely outside of the United States if such acceptance is appropriate and consistent with the interests of the United States and permitted by the Department. Generally, a gift of travel may be accepted when an employee is already on travel within a foreign country for purposes of fact-finding or in cases where such travel relates directly to the mission of the Department. Travel and expenses for travel to and from a foreign country shall be accepted under the guidance of 31 U.S.C. 1353, "Acceptance of Travel/Expenses from Non-Federal Sources." A gift of travel must be reported within 30 days after leaving the host country.
 - d. Educational scholarships/awards or medical treatment offered from a foreign government may be accepted.
 - e. Employees may accept gifts above the minimal value on behalf of the DOT when it appears that refusal may cause strained or adverse relations or offense or embarrassment with the foreign representative or his or her country. These gifts are turned over to the Department by the employee within 30 days of acceptance
 - f. A gift from the spouse of a foreign official is deemed to be a gift from the foreign official or government.
 - g. A gift to an employee's spouse, unless separated, or his or her dependent(s) is deemed to be a gift to the employee.
8. **EMPLOYEE RESPONSIBILITIES.** Upon visit to a foreign country or completion of visit from a foreign government representative, all DOT employees will report the receipt or acceptance of gifts from a foreign government entity within 30 working days to the Executive Secretariat. This applies to any gifts received directly from foreign representatives or by any other method. It is the employees' responsibility to determine estimated value upon receipt. All gifts over the minimal value are accepted for the U.S. Department of Transportation. The Executive Secretariat, with coordination from the Office of the General Counsel, will determine disposition upon receipt.
- a. When reporting the receipt of a gift to the Executive Secretariat, employees will provide, at a minimum, the following information:
 - (1) Description of the donor to include: donor's name, country, governmental position, and organization, relationship to the Department or employee, and any descriptive information.
 - (2) Description of gift and circumstances justifying acceptance.

- (3) Date of acceptance.
 - (4) Estimated value in United States currency at time of receipt or acceptance.
 - b. Gifts or benefits associated with travel will be reported by the employee, or his or her office, with the following information:
 - (1) Dates of travel.
 - (2) Sponsor or sponsors of associated travel.
 - (3) Description of purpose of travel associated with acceptance.
 - (4) Any relevant location associated with the travel.
 - c. No employee may accept a gift of any species of life listed as threatened or endangered, whether dead or alive.
 - d. No employee may accept a gift of cash, currency, or monies except that which has an historic or numismatic value and is otherwise authorized.
 - e. An employee who cannot ascertain the actual market value of an item may estimate its market value by reference to the retail cost of similar items of like quality.
 - f. The Department may authorize disposition or return of gifts to the donor at government expense.
- 9. **EXECUTIVE SECRETARIAT RESPONSIBILITIES.** Upon receipt of a gift of more than minimal value, accompanied by a report from an employee in accordance with section 8 of this order, the Executive Secretariat will determine whether the gift or decoration will be returned to the donor, retained for official use within the Department, or forwarded to GSA for disposal as surplus property in accordance with applicable law. In accordance with this order, the OST Executive Secretariat will:
 - a. Designate one or more officials to receive, evaluate, and dispose of foreign gifts tendered to OST and the operating administrations.
 - b. Obtain a commercial appraisal when the value of the gift or decoration is not self-evident, if the employee indicates a wish to purchase any tangible gift that is above minimal value.

- c. Ensure that the designated official who receives and evaluates the gift maintains an incoming gift log that shows the estimated value of the gift and whether the gift, if more than minimal value, was returned to the donor, retained for official use, or kept in safe storage pending appropriate disposition instructions from GSA.
- d. Provide notice of disposition to the employee and his or her office or Administration.
- e. Issue any internal operating procedures or guidelines necessary to implement this directive.
- f. Write letters of acknowledgement or thank you notes relating to gifts which are retained for use by DOT.
- g. Coordinate with the Office of the General Counsel regarding the appropriateness of acceptance and disposition of foreign gifts.
- h. Return gifts to the donor which are deemed inappropriate for acceptance by DOT employees and keep a corresponding record in the outgoing gift log.
- i. Provide an annual report to the U.S. Department of State listing all gifts over the minimal value.
- j. Maintain and provide semiannual reports of gifts presented to representatives or members of foreign governments from DOT employees to the Office of the Assistant Secretary for Budget and Programs.
- k. Report gifts or decoration determined to be excess property to GSA.
- l. Semiannually, provide the incoming gift inventory log to the Director, Office of Real and Personal Property Management for purposes of maintaining awareness of gifts accepted for official use of the department, Note: Once the disposal process has begun for a gift, the Office of Real and Personal Property Management shall assist and coordinate in the process with the designated gift official.
- m. The disposition of gifts or decorations above the minimal value is the responsibility of the Executive Secretariat. The Executive Secretariat shall determine if DOT will keep the gift or decoration for official use. If DOT does not keep the gift or decoration or returns it to the donor, it is reported as excess personal property to GSA.

10. DISPOSAL OF GIFTS.

- a. Tangible gifts of more than minimal value will be returned to the donor, retained for official use, or kept in safe storage pending appropriate disposition instructions from GSA. Tangible gifts are disposed of in accordance with guidelines from 41 CFR Part 102-42.
- b. If a gift is deemed inappropriate for acceptance, it will be returned to the donor by the recipient whenever possible. The designated gift official, in coordination with the Office of General Counsel, will examine the circumstances of its tender, assess whether any adverse effect upon United States foreign relations might result from return of the gift or decoration to the donor, and consult with DOT officials if a question of adverse effect arises.
- c. Gifts determined to be over the minimal value are accepted for the Department.

11. GIFTS RETAINED FOR OFFICIAL USE.

- a. Upon determination that a gift or decoration of more than minimal value can be accepted by the Department, it may, if appropriate be retained for official use. The Executive Secretariat, upon coordination with the Office of General Counsel, will determine in each instance the permissible types of official use and will state the conditions for retention. The Department's employees and the public will have the maximum opportunity to receive the indirect benefit of gifts retained for official use. For example, if a gift is a painting, it should be displayed in an area accessible to the largest number of employees and/or members of the public, taking its safekeeping into account.
- b. Retention of a gift or decoration may be approved for the duration of the useful life of the item. Under no circumstances shall the disposal by sale, loan or other transfer of a gift or decoration retained for official use be permitted without prior approval from the Executive Secretariat and the Office of the General Counsel.
- c. At the discretion of the Executive Secretariat, items may be retained by another mode within DOT. However, the reporting procedures are still required.

12. DISPOSAL OF GIFTS TO GSA.

- a. Gifts that have served their useful life and for which the official use has terminated, will be disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 GSA's Federal Management Regulation (41 CFR Part 102).
- b. The Executive Secretariat shall report such gifts or decorations to GSA within 30 business days after termination of their official use. The information in section 8 of this order will be reported to GSA.
- c. Gifts and decorations reported to GSA will remain in the custody of the Department and the responsibility of the Executive Secretariat until GSA instructions are received and acted upon.

13. ENFORCEMENT. Suspected violations of the statute or this order shall be reported promptly by any person to the Office of the Inspector General.

14. REVISION. This order is subject to review and revision for purposes of accuracy every 3 years or at the discretion of the Executive Secretariat or the Office of the General Counsel.

