



HOLIDAY GUIDANCE



FOR: Department of War Personnel
FROM: DoW Standards of Conduct Office,
Office of the General Counsel
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The holiday season is traditionally a time of parties, receptions, and gift exchanges. As we celebrate, however, it's important to remember that the federal ethics rules still apply! To ensure you do not inadvertently violate the ethics rules, or other related laws and regulations, SOCO has drafted a brief summary of the applicable rules and some common situations you might encounter during the holiday season.

For questions please contact an Ethics Official within your organization's legal office.

Best wishes from SOCO for a wonderful holiday season!

QUICK REFERENCE

- **Office Holiday Parties:**
 - Don't have supervisors or senior officials solicit for contributions.
 - Contributions must be voluntary.
 - No soliciting contractors - reasonable, voluntary "pot-luck" contributions are permitted.
 - Other considerations apply if contractor employees will be invited. For example:
 - Contractors may not charge the Government for employee time to attend an unofficial function.
 - Some contractors may have rules governing whether their personnel may accept a gift, including free attendance.



- See the examples below and consult with your contracting officer and Ethics Official.
- **Holiday Parties Outside the Office:**
 - Hosted by a superior or subordinate: Personnel generally may attend holiday parties that are personally hosted by their superiors or subordinates.
 - Hosted by a non-federal entity (NFE): The standard ethics rules governing gifts of free attendance apply - there is *not* a special “holiday party exception” in the ethics rules for accepting free attendance at events hosted by contractors or other NFEs.
 - Read the examples below. Some events may require advance written approval. Check with your Ethics Official if you have questions.
- **Gifts:**
 - Gifts from subordinates: These are limited to non-cash items worth \$10 or less.
 - Only individual gifts valued at \$10 or less are permitted. Group gifts are not permitted for traditional gift giving occasions, even if the value is less than \$10.
 - Traditional hospitality or hostess gifts may exceed \$10 when the boss is hosting a party at his/her home (e.g., flowers, a bottle of wine). However, you should still apply good judgement and reason to avoid any appearance of currying favor.
 - There is no limit on the value of a gift a supervisor may give to subordinates, but good taste and avoiding any appearance of favoritism should be taken into account.
 - Gifts from NFEs:
 - Tangible gifts from prohibited sources, including contractors, or gifts offered by reason of official position are generally limited to non-cash items valued at \$20 or less.

FUNDING YOUR PARTY

- **Funding your Party:**
 - Solicitation: You may not solicit outside sources (which includes contractor-employees working in your office) for contributions to your party. This includes solicitations for funds, food, and items.
 - Contractor employees may bring in-kind contributions to a “pot-luck” celebration, so long as they are proportionate in value to what government personnel are bringing.



- Use of Appropriated Funds & Resources:
 - Holiday parties are generally unofficial events, and you may not use appropriated funds to pay for them.
 - You may not use appropriated funds to purchase and send greeting cards.
 - Except in certain circumstances, participation at holiday social events is personal, not official, and therefore use of Government vehicles to/from such events is not authorized. (Consult with your legal counsel to determine whether an official vehicle may be used to attend a holiday event).
- Fundraising: Federal regulations prohibit gambling on Federal property or while in a duty status. This includes any raffle or drawing where individuals purchase a chance to win something. (Note: This is distinguished from door prizes where everyone attending an event is automatically entered to win a prize, even if there is a charge to attend the event.)

GIFTS

- **General Rule:** Federal personnel may not accept gifts offered because of their official positions or offered by a “prohibited source.” A prohibited source is anyone who:
 - Seeks official action by the employee’s agency;
 - Does business or seeks to do business with the employee’s agency;
 - Conducts activities regulated by the employee’s agency;
 - Has interests that may be substantially affected by the employee’s performance of duty;
 - or,
 - Is an organization composed of members described above.
- **Gifts Defined:** Gifts include any item of value. Examples of gifts include free attendance at dinners and other meals, receptions, sporting events, and widely attended gatherings. Seeks official action by the employee’s agency
- **Gift Exchanges Between Supervisors and Subordinates:** Absent an applicable exception, supervisors may **not** accept gifts from subordinates or Federal personnel who receive less pay. Below are exceptions that may apply for holiday gifts and events: You may not solicit outside sources (which includes contractor-employees
 - Exception #1: On an occasional basis, including any occasion on which gifts are traditionally given or exchanged, supervisors may accept individual gifts (other than cash) valued at **\$10 or less** from a subordinate.



- Exception #2: Supervisors may accept food and refreshments shared in the office and may share in the expenses of an office party.
 - Exception #3: When a supervisor invites a subordinate to a social event at the supervisor's residence, the subordinate may give the supervisor a hospitality gift of the type and value customarily given on such an occasion.
- **Gifts and Gift Exchanges Between Peers and Coworkers:** There are no legal restrictions on gifts given to peers or subordinates. However, common sense (and good taste) should apply, and supervisors should avoid any appearance of favoritism toward a particular subordinate.
 - **Gifts and Gift Exchanges That Include Contractor Personnel:**
 - Gifts from contractors: Federal personnel are prohibited from soliciting gifts from contractor employees. As a general rule, Federal employees may not accept unsolicited gifts from contractor-employees. Contractor-employees are considered prohibited sources since their employers currently do business with the Government. Below are two common exceptions that apply for holiday gifts and events:
 - Exception #1: Federal personnel may accept gifts (other than cash) not exceeding \$20 per occasion, as long as the total amount of gifts that the individual accepts from that source (the contractor-employee and the employer) does not exceed \$50 for the calendar year.
 - Exception #2: Federal personnel may accept gifts that are based on a **bona fide personal relationship**. Personal relationships are generally limited to family and close personal friendships arising outside the workplace. A key indicator of whether a gift is based on a personal relationship is whether the gift is paid for or reimbursed by the contractor employer. However, if the contractor employer gives a gift or invitation to its employee and the employee, without direction from the company, then re-gifts to or invites a Federal official based upon a family or close personal relationship, the personal relationship exception may still apply.
 - **Gifts to contractors:** Check with the contractor, since many contractors have codes of ethics that are similar to Federal rules and, therefore, may preclude the acceptance of gifts.

PARTIES, OPEN-HOUSES, AND RECEPTIONS



- **Raising Funds for Office Holiday Parties:** As a general rule, Federal personnel may not engage in fundraising in an official capacity, unless authorized by statute, executive order, regulation, or agency determination. One such exception is “by our own, from our own, for our own” internal fundraisers. Under this exception, you may have a fundraising event (i.e., bake sale) within the workplace to raise funds for the holiday party. You may only hold such a sale in your office area, or areas primarily occupied by the members of the group who will benefit (e.g., prospective holiday party invitees/attendees). Everyone who is working in the bake sale must be in a non-duty status (leave or pass, lunch break, etc.). You must also comply with any local policies pertaining to fundraising, which may limit where you may hold the fundraising event, how you may publicize it, and who may authorize it. You may not solicit outside sources for contributions for your party.
- **Parties, Open-Houses, and Receptions Hosted by Non-Prohibited Sources:** If it is clear that the invitation is not offered by reason of official position, Federal personnel may attend social events sponsored by non-prohibited sources. If invited because of official position, personnel may attend if the event is either:
 - Free and open to the public, all Government, or all DoW/military; or
 - It is a social event hosted by an individual (vice an entity) and none of the guests are charged admission.
- **Parties, Open-Houses, and Receptions Hosted by Prohibited Sources, Including Contractors:** The general rule is that Federal personnel may **not** accept gifts from prohibited sources, including contractors and contractor personnel. The following are common exclusions and exceptions to the general rule that may apply to permit acceptance:
 - Widely Attended Gatherings (WAG): In their personal capacity, Federal personnel may generally accept free attendance, including any meals and refreshments, at an open-house or reception, if the employee’s supervisor determines that it is in the agency’s interest that the employee attends and an Ethics Official determines that the event is a widely attended gathering. These determinations must be made in writing in advance of the event.
 - Free & Open: Federal personnel may accept invitations to events that are free and open to the public, all Government employees, or all military personnel.
 - Unrelated to Government Employment: Federal personnel may accept invitations offered to a group or class that is not related to Government employment. (For example, if your previous employer invites all of its former personnel to their holiday party.)
 - Modest Food & Refreshments: Federal personnel may accept modest refreshments, such as soft drinks, coffee, pastries, or similar refreshments (i.e., light snacks), that are not served as part of a meal. Alcohol does *not* qualify!
 - Spouse’s Outside Employment: Federal personnel may accept gifts based on a spouse’s outside business or employment relationship. For example, a Federal employee’s spouse works for ABC Corp. The Federal employee may accompany the spouse to the



ABC Corp's holiday party. The invitation is to the spouse as an ABC Corp employee, and not to the Federal employee because of his or her Federal position.

Remember: Federal personnel may not accept a gift from an outside source, even where one of the exceptions applies, if the gift was solicited or is given in return for being influenced in the performance of an official act.

Parties, Open-Houses, and Receptions Hosted by Other Federal Personnel:

- **Invitation from your subordinate:** You may accept personal hospitality at the residence of a subordinate that is customarily provided on the occasion.
- **Invitations from your boss or a co-worker (not a subordinate):** No restrictions. Enjoy!

COMMON EXAMPLES

1. **Office Party (non-duty time):** Your office is having a holiday party during the non-duty lunch hour or after work and asks each person attending to pay \$5 to cover refreshments and to bring a potluck dish or dessert. Contractor-employees may attend, pay \$5, and bring food because these contributions are not considered to be gifts or solicitation of gifts, but rather merely an attendee contributing their fair share of the costs of the event that they are attending. **Remember**, contributions must be voluntary, so soliciting must be done with care to ensure there is no pressure or appearance of pressure. Also, be sure to verify that the time contractor-employees spend at the party does not get billed to the Government.
2. **Office Party (duty time):** What about a party that cuts into duty hours? In addition to the rules in the example above regarding solicitation and contributions by Federal employees, as a general rule, the Government may not reimburse a contractor for morale and welfare expenses. The contractor has to decide whether to let its employees attend and forego payment for their time, or direct that they continue to work. Consult the contracting officer before inviting contractor-employees to a function during their duty hours.
3. **Exchange of Gifts:** Your colleagues, including contractor-employees, want to exchange gifts at the office holiday party. Gift exchanges in which employees purchase gifts for other employees whose names they draw at random may create situations where a subordinate is purchasing a gift for a superior (\$10 limit) or a contractor is purchasing a gift for a government employee (\$20 limit). To ensure compliance with the limits set forth in the federal ethics regulations, gift exchanges should be limited to non-cash items with a value of \$10 or less.
4. **Private Parties (Federal Personnel):** One of your Government co-workers is hosting a party at his house and has invited the entire office, which also includes several contractor-employees. Providing food and refreshments to a contractor-employee does not violate Government ethics rules. The contractor-employees may want to check their employer's rules before accepting (since many contractors have



similar ethics rules). If the contractor-employee brings a hospitality gift, it may not exceed \$20 (since the contractor is a prohibited source).

5. Private Parties (Contractor-Sponsored): If the contractor is sponsoring their employee's party or open-house, and you are invited by the contractor (or an employee of the contractor), you may not attend unless one of the exceptions discussed above applies. For example, under the \$20 rule, if the average cost per guest does not exceed \$20, Government personnel may accept. However, if the cost per guest is \$40 and no other exception applies, the Federal employee would have to pay the per-person cost of hosting the event in order to attend.

Please remember that this guidance highlights the common ethics issues encountered during the holiday season. It does not cover every situation. For advice tailored to your particular circumstances, contact your Ethics Official.