

CPS-008 Gifts, Hospitality, Other Business Courtesies, and Sponsorships

Frequently Asked Questions

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1.0 General

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1.1 What is Serena?

The [Serena CPS-008 Exception Request Tool](#) allows any Lockheed Martin employee to request an exception to the rules outlining giving and receiving gifts, hospitality, other business courtesies and sponsorships as set forth in Section 9 of CPS-008. Exception requests are reviewed and approved or declined by Ethics and/or Legal as required by CPS-008.

[See [CPS-008 Section 9.0](#)]

1.2 When should I engage Ethics or Legal if I have a question about CPS-008?

Please contact your Ethics Officer or your element Legal counsel any time you have a CPS-008 question. You may also use the [Gifts Decision Tree \(GDT\)](#). The [Gifts Decision Tree](#) is based on CPS-008 and provides guidance to the user based upon the user's responses to a series of questions about the user's specific circumstances. The [GDT](#) is also available in the LM App Store as an app for iPhone. Please do not hesitate to contact [your Ethics Officer](#) if you have any questions about the [Gifts Decision Tree](#).

1.3 Who's in charge of deciding what's okay to give or accept?

It is each employee's responsibility to ensure that business courtesies are not offered or received except as permitted in [CPS-008](#). There are several resources available for employees when questions arise. Employees should consult with their [Ethics Officer](#) or element legal counsel before accepting or giving gifts or business courtesies when the appropriateness is unclear. In addition, the [Protocol Office](#) can offer advice on etiquette, cultural considerations, and other questions regarding the appropriateness of planned business courtesies. **Do not provide any gift, hospitality, business courtesy or sponsorship that exceeds any value threshold stated in CPS-008 (or the international country guidelines, for non-US recipients) without first obtaining a review and approval of the exception as required by Section 9 of CPS-008.**

[See [CPS-008 Section 9.0](#)]

1.4 What is a "business courtesy"?

[CPS-008](#) defines "business courtesy" and the definition is intentionally broad: it includes gifts (which are usually tangible things, like a commemorative paperweight), as well as other business courtesies, like a meal, attendance at a conference, or tickets to a sporting event, that a person can't display on a book case but nonetheless have a dollar value. The basic concept is for interactions with business relations, if the person or entity is receiving something and doesn't pay fair market value for it, then it is covered by our policy.

[See [CPS-008 Section 3.0](#)]

1.5 What does “fair market value” mean?

Under [CPS-008](#), “fair market value” means the retail cost you would have to pay to purchase the business courtesy. If the fair market value is not known or not easily discernible, then its value may be estimated based on the retail cost of similar items of like quality.

The market value of a ticket, fee, or invitation to any event, recreational activity, or other entertainment is the face value of the ticket. If the event is “sold out” or is a special event (like the Olympics, World Cup, or Super Bowl, etc.) where there is a limited quantity of tickets available to the general public for purchase, consult [your Ethics Officer](#). Note that the dollar value of any amenities offered (like parking, or additional buffet, etc.) must be added to the face value in order to capture the total fair market value of the business courtesy being offered.

To determine the fair market value of an item, you should determine the retail cost of the item (average retail costs from the most likely sources of purchase for the recipient). The fair market value should not include taxes or shipping/handling costs that might also be incurred. When determining the fair market value of a meal or refreshments, find the average per person cost of the meal/refreshment. Do not include the taxes, tips, delivery fees, or other such charges in your costs. [See [CPS-008 Section 3.0](#)]

1.6 What does “nominal value” mean?

According to [CPS-008](#), nominal value business courtesies includes modest food and drink such as doughnuts and coffee not offered as part of a meal (alcohol is never considered “modest”), greeting cards and items with little intrinsic value such as plaques, certificates, and trophies, which are intended primarily for presentation. Lockheed Martin logo items with a value of less than \$20 USD are considered to be of nominal value. [See [CPS-008 Section 3.0](#)]

1.7 Does CPS-008 prohibit an employee from exchanging gifts with relatives who are customers, managers, or other business relations? What about close friends?

Lockheed Martin employees are allowed to give and receive gifts motivated *solely* by a family or personal relationship. Sometimes it can be hard to determine if a personal relationship exists with a colleague or a former colleague. Consider the following questions to help you determine your motivation:

1. Have you interacted with this person outside of work (and work-related functions) in the past? With what frequency?
2. If you were not working for Lockheed Martin at this moment, would you still want to provide this gift to or receive this gift from this person now?
3. Does Lockheed Martin have any pending proposal, program decision, etc. in front of this person or this person’s employer (or vice versa) that could make the proposed gift appear to be a conflict of interest?

It is important for all employees to understand that their actions concerning relatives may give rise to real or perceived conflicts of interest. You should consult [CRX-014](#) Conflict of Interest for additional information on how to avoid or declare such situations. [See Paragraphs 5.6 to 5.9 in [CPS-008 Section 5.0](#)]

Note: If the gift is being charged to, or reimbursed by, Lockheed Martin, it is **not** considered a gift based on a personal relationship, and is subject to [CPS-008](#).

1.8 Which rules apply to giving gifts to family members?

If your family member receives a business courtesy from a Lockheed Martin business relation, that courtesy must be analyzed as though it were given to you. This means that if you and your spouse are offered tickets to an event, and the fair market value of each ticket is \$75 USD, the total fair market value of the gift offered to you is \$150 USD. Accepting both tickets would exceed our acceptance limits.

Similarly, if you are giving a business courtesy to a family member of a business relation, you must treat that business courtesy as though it were a gift to the business relation directly. Refer to [CPS-008](#) Section 3.0, which provides a definition of “family.” **Any business courtesy intended to be provided to a family member or close personal relation of a public official is an exception to the policy and always requires legal review prior to providing the business courtesy.** [See Paragraphs 5.6 to 5.9 in [CPS-008 Section 5.0](#)]

1.9 For some of my customers, the rules governing the acceptance of business courtesies are less restrictive than Lockheed Martin's policies. Whose rules apply when offering courtesies?

Even if the customer's rules are less restrictive, Lockheed Martin's policies would still apply. [See Paragraph 4.1 in [CPS-008 Section 4.0](#)]

1.10 I know that I must avoid even the perception of impropriety where gifts are concerned. How do I judge what's appropriate?

Ask yourself several questions:

- Do the gifts or business courtesies exceed established law, regulation or policy?
- What type of gift is it? Is it a small token, such as a coffee mug, or is it something more substantial? Be wary of expensive gifts.
- Is the gift giver attempting to obtain favorable treatment?
- Is the intended recipient in a position to influence the purchase of our goods or services?
- Does this feel right? If a situation doesn't seem right, contact the Ethics Office or talk to your leader.

Some types of gifts or entertainment could reflect negatively on Lockheed Martin or our customers or violate the law (examples include “adult entertainment” or sexual favors) and would never be permissible, regardless of cost. If you are unsure if a proposed gift is appropriate, contact the Ethics Office. [See Paragraph 4.1 in [CPS-008 Section 4.0](#)]

1.11 Can I use personal funds to purchase business courtesies?

No. You are not permitted to use personal funds or assets to circumvent [CPS-008](#). All business-related expenditures and reimbursements must be accounted for in accordance with Lockheed Martin policies and procedures. For example, if your organization would like to give a business courtesy but there isn't budget for it, you cannot use personal funds to give a gift that exceeds the policy limits. You also cannot use personal funds to provide a business courtesy to a business relation that meets all the policy requirements. For example, if you have a business-related meal with a non-U.S. public official, you may not avoid our policy restrictions by paying for it with personal funds or by not submitting the meal for reimbursement. See [CPS-008](#) Section 5.2. Note that you are permitted to use personal funds to exchange gifts between Lockheed Martin employees. [See Paragraphs 5.2, 5.12, and 5.13 in [CPS-008 Section 5.0](#)]

1.12 Can I give and receive cash or gift cards as business courtesies?

For the most part, no, you cannot accept or give cash, cash equivalents, and many gift cards as business courtesies. Consult the quick reference table below and refer to the policy sections noted.

	Can I accept...	Can I give...
Cash?	No (Section 5.4).	No (Section 5.4).
Cash Equivalents? (See CPS-008 Section 3.0 for definition)	No (Section 5.4).	No (Section 5.4).
General Purpose Gift Card? (See CPS-008 Section 3.0 for definition)	No (Section 5.4).	No (Section 5.4).
Specific Retailer Gift Card? (See CPS-008 Section 3.0 for definition)	Yes, within the limits of Section 6.0.	No (Section 5.4).

Note: Requests to contribute to a cash collection towards a group gift for a business relation, or to provide an honorarium as a business courtesy to an external speaker are generally prohibited. A request for an exception could be submitted for review and pre-approval by an [Ethics Officer](#) or element legal counsel in rare cases. [See Paragraph 5.4 in [CPS-008 Section 5.0](#)]

1.13 How do I request an exception to CPS-008?

Refer to Section 9 of [CPS-008](#), which describes the [CPS-008](#) sponsorship and gift exception request tool, [Serena CPS-008 Exception Request Tool](#), and the [CPS-008](#) sponsorship and gift exception request form. Lockheed Martin employees with access to the Lockheed Martin Intranet should utilize the [Serena CPS-008 Exception Request Tool](#); Lockheed Martin employees without access to the Lockheed Martin Intranet should use the exception [form](#) (see the “Exception Request” section of the webpage).

[See [CPS-008 Section 9.0](#)]

1.14 What happens if a Lockheed Martin employee violates CPS-008?

The ramifications for violating [CPS-008](#) can be serious. Violations of this policy may result in discipline for the employee, up to and including termination of employment. Providing a prohibited business courtesy may require disclosure to the government or result in criminal prosecution of, or civil action against, the employee and Lockheed Martin. The outcome can include a prison sentence, fines, and civil penalties. In addition, the government may restrict the Corporation's ability to conduct future business.

[See Paragraph 4.3 in [CPS-008 Section 4.0](#)]

1.15 Where can I find the relevant Command Media?

CPS-008 Gifts, Hospitality, Other Business Courtesies and Sponsorships	CPS-113 Acquisition of Goods and Services
CPS-716 Compliance with the Anti-Kickback Act of 1986	CPS-730 Compliance with Anti-Corruption Laws
CRX-014 Conflict of Interest	CRX-025 Teaming Agreements
CRX-251 Charitable Contributions	CRX-325 Business Travel
CRX-526 Corporate Aircraft	CRX-544 Awards Program
CMS-612 Payroll Tax Compliance	TVL-001 Business Travel Handbook
International Hospitality Guidelines	

2.0 Accepting Business Courtesies

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2.0.1 I am a functional manager of a team of 10 people. I would like to give each of them a gift card for the holidays. Does CPS-008 prohibit gift-giving between Lockheed Martin employees?

No. Lockheed Martin employees are permitted to exchange gifts as long as there is no conflict of interest and the gift is reasonable under the circumstance. If the team includes subcontractors or customers, the limits in the other relevant parts of the policy need to be followed. Managers need to be especially careful of the conflict of interest and reasonableness requirements. If you give a nominal value gift to each of your direct reports (and don't leave anyone out), then this is acceptable under our policy. Note that employees may give each other cash, cash equivalent gifts, and gift cards/certificates without violating our policy.

Note that when Lockheed Martin funds are used, there can be tax implications to giving employees cash, cash equivalents, gift cards/certificates, and merchandise (refer to [CMS-612 Payroll Tax Compliance](#) for more information in the U.S. or your local country's equivalent policy).

Employees are permitted to use personal funds to purchase gifts for other employees.
[See Paragraphs 5.12 and 5.13 in [CPS-008 Section 5.0](#), and [CRX-014 Conflict of Interest](#).]

2.0.2 While attending a business meeting with a business contact, he mentioned that he can't use his tickets to the opera this weekend. We have previously spoken about our mutual admiration for opera, and he offered to let me have his tickets for free. Since I consider him a friend, can I accept the tickets even though the value of the tickets is \$250?

It appears that in this situation the "friendship" between you and the business contact is through your work at Lockheed Martin. With no history of reciprocal gift giving, you would be in violation of [CPS-008](#) if you accepted the tickets. You could pay the fair-market value of the tickets, \$250, and then you would not violate our policy.
[See Paragraph 4.1 in [CPS-008 Section 4.0](#)]

2.0.3 The software company that supports a major program has offered my staff free training on the correct way to use their latest tool. Are we allowed to accept this training? If they also want to provide pizza and conduct the training over the lunch hour, can we accept the meal, too?

If the price of the training is included in the contract terms with this vendor, it does not constitute a business courtesy and you can accept their offer. However, if the vendor offers training to us for free that they normally would charge a customer for, then you must consider it a business courtesy. We likely would not be able to accept it, because there could be the perception that the vendor is trying to seek favorable treatment from us.

Regarding the pizza that is offered, if you are not in Global Supply Chain Operations (GSCO), you may accept unsolicited meals and refreshments when there is a clear business purpose and acceptance would be considered reasonable under the circumstances. Note that some circumstances, such as a re-compete of the contract, might create a situation where we should not accept the training or a meal because it could be construed as an attempt by the vendor to secure favorable treatment. If you are in GSCO, you could not accept the meal because it is not a meeting or other business-related activity at the business relation's site.
[See Paragraph 6.3 in [CPS-008 Section 6.0](#)]

2.0.4 I regularly perform quality inspections at a small machine shop that supplies our company with component parts. I am not in a procurement position and I have no authority over the contracting process with this vendor. The owner of the machine shop recently gave me (and all the shop employees) a \$50 coffee shop gift card for the holidays. Can I keep the gift card?

No. Although you are not in GSCO, you are involved in the process of directing business or funds to this business relation. This is because your job responsibilities as a quality inspector include evaluating the vendor's performance and influencing whether or not they continue to be a subcontractor. It could be perceived that the subcontractor is giving the gift to influence your inspections, which would be a conflict of interest. You may not accept any business courtesies from this subcontractor with the exception of logo items with a fair market value of \$20 or less. Your [Ethics Officer](#) can provide a letter that you may use to politely decline the gift.

Many employees, particularly executives, are in a position to direct funds to a vendor or other third-party recipient. For the purposes of [CPS-008](#), these employees are considered to be in a procurement position with vendors or other third parties in their domain. For example, if a Lockheed Martin employee helps GSCO select a vendor or becomes the vendor's main Point of Contact, that employee and their leaders are considered to be in procurement positions relative to that vendor for the purposes of [CPS-008](#).
[See Paragraph 6.3 in [CPS-008 Section 6.0](#)]

2.0.5 Why are we allowed to accept business courtesies (other than retailer gift cards) equal to a fair market value of \$100 USD, but are limited to retailer gift cards with a value of \$25 USD?

The difference between receiving a tangible business courtesy or gift versus receiving a retailer gift card is the degree of discretion involved with the gift. When a business relation gives you a retailer gift card, you have the choice of when and on what to spend the value of the card. That discretion is not present when you receive a tangible business courtesy or gift. In addition, since retailer gift cards are considered legitimate currency at the specific retailer, Lockheed Martin is mitigating the risk of a potential conflict of interest by limiting the value of the retailer gift card to a nominal value. (Our \$25 USD limit is close to the U.S. government dollar value for "nominal" and considers that gift cards often come in denominations of \$25 USD.)
[See Paragraph 5.4 in [CPS-008 Section 5.0](#)]

2.0.6 An outside organization of which I am a member offered to cover my travel expenses and conference fees for their upcoming conference since I am also speaking at the conference. My membership is paid for by Lockheed Martin. Can I accept the offer under CPS-008?

Maybe. You may accept if the same offer is being extended to ALL speakers and:

- It is unsolicited by LM,
- the activity has a bona fide business purpose,
- there is neither a real nor perceived conflict of interest arising for acceptance of this offer, AND
- the offer is not lavish or unreasonable for the totality of the circumstances.

[See Paragraph 6.9 in [CPS-008 Section 6.0](#)]

2.0.7 I appropriately accepted an offer of lodging from a vendor in connection to a speaking engagement at a conference. However, when I arrived in my room, I found that the vendor had left a welcome basket for me. The welcome basket contains some snacks and a nice bottle of champagne. Is the welcome basket included in my acceptance of the hotel room for the speaking engagement?

No. Accepting the hotel room per the guidelines in [CPS-008](#) Section 6.9 does not entitle you to also accept everything else offered to you from the vendor while at this event. Per the Business Events section of [CPS-008](#), some business courtesies intrinsically associated with the conference may be accepted (such as meals offered during the conference sessions and instructional materials). All other business courtesies collateral to the conference must be evaluated based on their fair market value and frequency. As the welcome basket is collateral to the conference, you must determine the fair market value of the welcome basket and add that to the fair market value of any other business courtesies offered to you to determine if you can accept.

[See Paragraphs 6.6 to 6.9 in [CPS-008 Section 6.0](#)]

2.0.8 Can I accept an invitation to participate in a vendor's annual golf tournament/networking event at no cost to me?

It depends on what your role is with Lockheed Martin relative to the vendor, and what the fair market value is of your participation. If you work in the Global Supply Chain Operations (GSCO) or are involved in the process of directing Lockheed Martin business or funds to the vendor, then you cannot participate for free. If there is a legitimate business reason for participation, Lockheed Martin may pay your way. If you are not in GSCO and you are not involved in directing business or funds to the vendor hosting the tournament, you would be permitted to participate if the value is \$100 or less and the other criteria of the policy are met (see [CPS-008](#) section 6.3). Entertainment over \$100 can be accepted under certain circumstances (see [CPS-008](#) section 6.5) using the [Serena CPS-008 Exception Request Tool](#). Note that the definition of "entertainment" in [CPS-008](#) requires that a representative from the giving organization accompanies the recipient or participates in the event. So, in this situation if the vendor is playing in the round of golf with the Lockheed Martin employee this would meet the definition of entertainment. Other situations may be approved for an exception.

[See Paragraph 6.3 in [CPS-008 Section 6.0](#)]

2.0.9 I won a door prize (iPad) in a raffle at a trade conference. The gift is being presented from a potential supplier of LM. Can I keep the iPad?

You cannot keep the iPad. The fair market value of the iPad exceeds what we are permitted to accept under our rules. [Your Ethics Officer](#) can provide a letter that you may use to politely decline the door prize.

[See Paragraph 6.3 in [CPS-008 Section 6.0](#)]

2.0.10 Several suppliers send gift baskets, cookie trays, pies, plants, wine, etc. to employees as a ‘thank you for doing business with us’ at holiday time. What are the rules associated with keeping or returning such gifts?

In general, our suppliers and vendors are discouraged from sending gifts to employees. However, if you receive such a gift, consider the following guidance or consult with [your Ethics Officer](#). Some items (like wine or a plant) can and should be returned with an accompanying explanation.

Other items (like a fruit arrangement) are perishable and cannot readily be returned. In those situations, provided that the item does not appear lavish or extravagant, you should put the item out where it can be shared with your entire team or work area (as opposed to keeping it for yourself) and send the supplier a letter politely reminding them that such gifts should not be sent in the future.

[Your Ethics Officer](#) can provide you with a template letter for either instance. Keep in mind that there may be situations where a gift should not be accepted, even though it is under the fair market value limits of our policy. For example, if you receive a gift from a supplier regularly, or the timing of the gift could be interpreted as an attempt to influence you, you should not accept it. If you have questions about whether a received gift can/should be returned, please contact the Ethics Office.

[See Paragraphs 6.3 and 6.4 in [CPS-008 Section 6.0](#)]

2.0.11 I received a glass desk display gift from the U.K. and Australian military service members for hosting a visit to the LM Facility. Can I keep the gift?

It is best to consult with [your Ethics Officer](#) about how to handle this gift. In some instances, it may be appropriate and acceptable to retain the gift personally. Depending on the value of the item, it may need to be given to the Ethics Office for disposition (See also FAQs [2.0.9](#), [2.0.10](#), and [2.0.12](#)).

[See Paragraphs 6.3 and 6.4 in [CPS-008 Section 6.0](#)]

2.0.12 Our non-U.S. commercial customer offered me a large photograph to commemorate a product launch. I estimate that the value of the photo is at least \$500. I didn’t feel that it would be culturally appropriate to reject it when they presented it to me. What should I do?

If you personally received a business courtesy that cannot be returned right away, or where local customs and practices make it inappropriate to decline, you can accept the gift, but you must give the item to [your Ethics Officer](#) for disposition. If the business courtesy is being presented to Lockheed Martin (and not to you personally), it may be appropriate to display the item in a lobby or reception area. In some instances, you may be able to personally pay the fair market value of the item and retain it. In any case, contact the Ethics Office to discuss how to proceed.

[See Paragraphs 6.3 and 6.4 in [CPS-008 Section 6.0](#)]

2.0.13 One of our suppliers said her cousin could get me and my partner tickets to the World Cup finals, if we pay for them ourselves. The tickets come with VIP access. The supplier is going to the event, too, so it is a nice opportunity to talk business. I am a huge football fan and even though the face value of the tickets is over \$1,000, I would gladly pay the full amount to be able to go. The relationship with this supplier has been rocky lately and this seems like a chance to smooth things over. Can I buy these tickets?

This is a situation where you should exercise caution before proceeding. Several of the facts presented could give rise to a concern that favorable treatment is being sought, even though you would be paying for these tickets.

For example, the fact that this is an exceedingly high-profile event (similar to the Super Bowl or the Olympics) where tickets are scarce; the fact that the tickets are through a family connection and come with VIP access; and the fact that the relationship with the supplier has experienced some issues lately, all contribute to a potential perception that an opportunity is being made available in exchange for a particular action by Lockheed Martin. Further, there could be perceptions of a conflict of interest in future negotiations. Some invitations must be declined because of potential perception of corruption or inappropriate behavior. Contact [your Ethics Officer](#) to discuss further.

[See [CPS-008 Section 4.0](#) and Paragraphs 6.3 and 6.4 in [CPS-008 Section 6.0](#)]

2.0.14 As a leader, I would like to give my employees a “thank you” gift for their work on a recent project. We don’t have any more award money. Can I just give them each a gift card?

As a leader you are encouraged to appropriately provide awards – to include cash equivalents such as gift cards – to reward certain employees (see [CRX-544 Awards Program](#), or the local country equivalent). Recognition of completed work or sustained work should follow the guidelines of the award policy. Note that giving cash or cash equivalents to an employee from company funds can incur tax liability for the employee receiving the gift. Even tangible gifts can incur tax liability if over a certain monetary value. You should review [CMS-612 Payroll Tax Compliance](#) for the U.S. dollar value limits, your local country equivalent policy, or speak to your Finance department.

[See Paragraphs 5.12 and 5.13 in [CPS-008 Section 5.0](#)]

2.0.15 I’m not in the Global Supply Chain Organization (GSCO). I’m in charge of planning offsite events for my department. Sometimes that task includes selecting hotels for conferences, and reserving blocks of hotel rooms for our team members. Often the hotel chain will offer to award me personally, as the meeting planner, hotel ‘reward points’. May I accept these?

No. Although you are not in GSCO, the fact that you help select the hotel that will host the conference means, that for the purposes of CPS-008, you are considered to be in a procurement position with respect to the hotel. Because of that, someone could reasonably perceive that the hotel is offering you the rewards points to influence your selection of hotel, which would be a conflict of interest. Therefore, you may not accept any business courtesies from the hotel, except logo items with a fair market value of \$20 or less. If the hotel offers you the reward points, [your Ethics Officer](#) can provide a letter that you may use to politely decline.

[See Paragraphs 6.3 and 6.4 in [CPS-008 Section 6.0](#)]

2.0.16 I sit on the Board of Directors for a professional organization that is connected to my role at Lockheed Martin. Should I accept reimbursement from the organization for transportation, meals, and lodging when attending board meetings and other related functions?

Generally, if your work on the Board of Directors is supported by Lockheed Martin, the company should cover the cost (business benefit) of travel related expenses. However, LM policy provides that if you are speaking at an event, you can accept lodging, subsistence meals and transportation. So, if the organization holds a board meeting during an annual conference, for example, and you are a speaker, you can accept travel costs.

If an employee is on a Board of Directors with no ties to LM, the employee may accept travel costs if they are comfortable doing so. Keep in mind any potential conflict of interest should be reviewed by Legal. The [COIN tool](#) should be used to disclose the conflict. See the policy [CRX-014](#) - Individual Conflicts of Interest.

2.0.17 My spouse was offered balcony tickets to attend a Broadway performance from a vendor of Lockheed Martin. There are no current contract negotiations and I am not responsible for directing business to the vendor. The fair market value of the tickets are \$50 each. Can I accept the tickets and attend the performance?

Yes, if your family member receives a business courtesy from a Lockheed Martin business relation, that courtesy must be analyzed as though it were given to you. This means that if you and your spouse are offered tickets to an event, and the fair market value of each ticket is \$50 USD, the total fair market value of the gift offered to you is \$100 USD. Accepting both tickets would not exceed our acceptance limits.

Similarly, if you are giving a business courtesy to a family member of a business relation, you must treat that business courtesy as though it were a gift to the business relation directly. Refer to [CPS-008](#) Section 3.0, which provides a definition of “family.” **Any business courtesy intended to be provided to a family member or close personal relation of a public official is an exception to the policy and always requires legal review prior to providing the business courtesy.** [See Paragraphs 5.6 to 5.9 in [CPS-008 Section 5.0](#)]

3.0 Giving Business Courtesies

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3.0.1 I'm planning an event or meeting, where Lockheed Martin will be providing hospitality to non-Lockheed Martin employees. What's the deadline for submitting a request to Serena CPS-008 Exception Request Tool?

There is no specific deadline, but **requests should be submitted as soon as the event is outlined (even if the guest list or exact cost of the hospitality has not yet been finalized) and before any invitations are sent out or down payments are made.** Enough time must be provided to allow proper review by Ethics and/or Legal. The review may require the Requestor to gather substantial additional information, or to make a significant change to their plan. **In truly exigent circumstances** (e.g., it is less than 24 hours before the event and/or it is not possible to enter a request in the [Serena CPS-008 Exception Request Tool](#) because of a technological issue), **you may contact your legal counsel for guidance and approval via phone or email.** Keep in mind that you will still be required to submit a [Serena CPS-008 Exception Request Tool](#) request after-the-fact for documentation purposes.

[See CPS-008 [Section 9.0](#)]

3.0.2 Can I offer a gift card, gift certificate, or cash to a business relation?

No. You are prohibited from offering a gift card or gift certificate, as well as cash or cash equivalents, to a business relation. [See Paragraph 5.4 in [CPS-008 Section 5.0](#)]

3.0.3 I would like to include a bottle of wine in the business meal I am arranging for my customer. Do I need to get approval from my Ethics Officer or Legal Counsel to purchase alcohol?

If you intend to purchase alcohol as a business courtesy associated with a meal, you should review [CRX-325 Business Travel](#) and the Business Travel Handbook [TVL-001](#) for the appropriate approvals needed per those procedures. [CPS-008](#) does not require approval from an [Ethics Officer](#) or Legal Counsel to purchase alcohol. What is required per [CPS-008](#) is that the cost of the alcohol be included in the per person costs for the meal for determining if the meal falls within the appropriate guidelines for the recipients.

[See Paragraphs 5.10 and 5.11 in [CPS-008 Section 5.0](#)]

3.0.4 I know I must expense DTA-approved alcohol separately from a business meal in Concur, so is the food considered the meal and the alcohol considered refreshments?

Alcohol should be calculated in the value of the meal if it was served with that meal. For instance, if wine is served with dinner, the value of the food and wine together, (excluding taxes, tips, delivery fees, or other such charges), is considered the value of the dinner.

If wine is offered as part of a cocktail hour before a dinner event, then the value of the cocktail-hour food and wine together, (again excluding taxes, tips, delivery fees, or other such charges), is considered refreshments.

If you're not sure whether the food and drink you will be offering would be considered a meal or refreshments, contact your Element Legal Counsel or enter the proposed hospitality into the [Serena CPS-008 Exception Request Tool](#).

[See Paragraphs 5.10 and 5.11 in [CPS-008 Section 5.0](#)]

3.0.5 What information should be included in an invitation to an event organized by Lockheed Martin?

In many cases, laws or best practices for hospitality require Lockheed Martin to send an invited public official a written invitation documenting the event at which the hospitality will be offered. Aside from event logistics (date, time, location), the invitation may also need to describe the hospitality that will be offered (i.e. dinner and refreshments) or even the value of the hospitality. Some governments require that the invitee obtain permission to attend the event, and the written invitation from Lockheed Martin can help the invitee determine whether s/he can accept the offered hospitality under the rules that are specific to their organization. These may be rules of which Lockheed Martin may not be aware. The written invitation also helps Lockheed Martin demonstrate that the hospitality was offered openly and not with the intent of improperly influencing the public official. Element Legal Counsel can help determine exactly what information should be included in your invitation.

[See Paragraph 7.17 in [CPS-008 Section 7.0](#)]

3.0.6 What is an “Honor basket”?

“Honor baskets” (and similar payment collection methods, such as envelopes) are expressly prohibited.

“Honor baskets” were at one time used by some organizations to allow customers to pay for meals provided by a company, if the provided meal exceeded the customer organization’s hospitality limits. [CPS-008](#) requires that Lockheed Martin provides a legitimate way to collect and document meal payments from customers, and “honor baskets” are not permitted. The best practice is to provide guests with a written invitation before the event, with the cost of the meal specified on the invitation. Include instructions that if the invitee’s organization’s hospitality rules require them to provide payment for the meal, they may do so. Also provide the name of the designated Lockheed Martin POC who will receive payment. Consider using a standard form that the invitees can complete with payment attached. For information on processing any payments received, please see your element’s Finance or Business Operations POC.

[See Paragraphs 7.17 and 7.22 in [CPS-008 Section 7.0](#)]

3.0.7 What constitutes an individual versus an entity, and what are the differences in what can be provided?

An entity is typically a government, organization, office, department, agency, bureau, authority, or government-owned instrumentality. For the purposes of [CPS-008](#), an individual is typically an employee or representative of an entity.

For details on what can be offered to individuals, see the appropriate section of [CPS-008](#) corresponding to the employer of the individual, (i.e, Commercial Relations Personnel, Personnel of Colleges, Universities, Research Institutions, and Other Schools, State, Territory, and Local Government Employees, Executive Branch Employees (Military or Civilian), Legislative Branch Employees, Members of the Judiciary, or Non-U.S. Public Officials). Gifts offered to an entity (whether a government entity such as agency, organization, or office, or commercial entity) must meet the following requirements:

- Gift has a fair market value of \$15,000 USD or less.
- **Gift is a model, sculpture, painting, drawing, framed picture, trophy, award, or plaque depicting or associated with a Lockheed Martin product, program, or other company business purpose.**
- Gift must be intended for display in a common area of facilities or property of the entity, and relevant circumstances do not indicate a likelihood that the gift will be used in a way different from its intended use (e.g., retained by any personnel at the entity for personal use).
- Gift must be provided directly by Lockheed Martin personnel and, when possible, as part of a formal ceremony, presentation, or official meeting.
- Gift (or its stand, mounting, frame, or structure) must be permanently labeled for the particular entity by Lockheed Martin in commemoration of the particular event.
- Gift is accompanied by a “Gift Letter” (see appropriate gift letter template for [commercial](#) or [government](#)).
- Gift does not violate recipient entity’s standards of conduct or applicable laws.
- Before offering the gift, you meet the appropriate requirements described in the table below.

If the gift is to a:	Then:
U.S./non-U.S. government entity or U.S./non-U.S. commercial entity and the gift meets all the requirements of section 7.6	No additional approval is required
U.S. government entity or U.S. commercial entity and the gift does not meet all the requirements of section 7.6	Obtain prior approval from Ethics Officer (see section 9.0)
Non-U.S. government or non-U.S. commercial entity and the gift does not meet all the requirements of section 7.6	Obtain prior approval from element legal counsel (see section 9.0)

[See Paragraph 7.6 in [CPS-008 Section 7.0](#)]

3.1 Business Courtesies to U.S. Legislative Branch Employees

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3.1.1 What is the fair market value that should be used for a Member or staffer to reimburse Lockheed Martin for an event ticket?

The fair market value of an event ticket is the face value of the ticket as sold to the public. If a ticket does not have a face value (such as a private skybox ticket):

- Senate gift rules require that the value of the ticket must be determined by comparing it to a similar ticket, considering all features of the ticket including access to parking, availability of food and refreshments, and access to areas not open to the public. If no similar ticket exists, the event ticket must be valued at the highest cost of a ticket with a face value sold to the public for the event.
- House gift rules require that the event ticket be valued at the highest cost of a ticket with a face value sold to the public for the event.

[See [CPS-008 Section 3.0](#) and Paragraphs 7.29 to 7.38 in [CPS-008 Section 7.0](#)]

3.1.2 Can a Lockheed Martin employee who is a friend of a Member or staffer give the Member a gift?

Yes, both the [House](#) and [Senate gift rules](#) allow gifts valued up to \$250 to a Member or staffer motivated solely on the basis of a personal friendship. When in doubt, the following questions may help you determine your motivation:

1. Have you interacted with this person outside of work (and work-related functions) in the past? With what frequency?
2. If you were not working for Lockheed Martin at this moment, would you still want to provide this gift to this person now?
3. Does Lockheed Martin have any pending business, etc. in front of this Member or staffer (or the Member or staffer's Committee) that could make the proposed gift appear to be a conflict of interest?

Before proceeding you should contact the Ethics Office or element legal counsel to review the circumstances.

Note: If the gift is being charged to, or reimbursed by, Lockheed Martin, it is not considered a gift based on a personal friendship.

[See Paragraphs 7.29 to 7.38 in [CPS-008 Section 7.0](#)]

3.1.6 Can Lockheed Martin invite or pay directly for the attendance of a Member or staffer at a charity event at which Lockheed Martin has purchased a table or made a contribution?

No. If Lockheed Martin is not the sponsor - meaning the one who planned and organized the event – our company cannot invite a Member or staffer to attend and directly pay for the Member's or staffer's expenses associated with the event.

Note: Lockheed Martin is not considered a sponsor of an event to which we merely contribute money or for which we buy a table.

[See Paragraphs 7.37 and 7.38 in [CPS-008 Section 7.0](#)]

3.1.7 Can Lockheed Martin pay for the transportation, lodging and related costs of Members or staffers for official trips?

Lockheed Martin does not fund Member or staffer official travel, including trips to Lockheed Martin facilities, historical sites, charity events, and other locations. Under the gift rules, the House and Senate have imposed substantial additional restrictions on such corporate-sponsored travel, including:

1. Limiting trips to one day (including an overnight stay);
2. Requiring that a Member or staffer receive certification from the sponsoring entity that lobbyists were not involved in planning, organizing, arranging or financing the travel; and
3. Limiting the involvement of lobbyists to a de minimis role in planning or participating in the travel, including a prohibition against accompanying the Member or staffer on any leg of the trip.

If you believe you may need to rely on the exception described here, contact [your Ethics Officer](#) or element legal counsel in advance of the trip.

[See Paragraphs 7.30 and 7.31 in [CPS-008 Section 7.0](#) and see [CPS-008 Section 9.0](#)]

3.1.8 We have purchased a table at a charitable event, and we would like to ask the sponsor of the event to invite specific Members or staffers to sit at the Lockheed Martin table. Is this allowed?

Yes, for the [House of Representatives](#). No, for the [Senate](#). In either case, the sponsor of the event must retain control over the event's guest list and seating arrangements. The sponsor of the event, not Lockheed Martin, must extend the invitation to the Member or staffer.

[See Paragraphs 7.37 and 7.38 in [CPS-008 Section 7.0](#)]

3.1.9 A staffer sent me an email asking that Lockheed Martin sponsors a "happy hour" at a Capitol Hill restaurant in honor of a Member's recent legislative accomplishments. Can Lockheed Martin pay for the happy hour?

No. A member or staffer is prohibited from soliciting any gift, regardless of value. Even if the event were one for which Lockheed Martin's payment may otherwise meet the [House](#) or [Senate gift rules](#), Lockheed Martin must not agree to pay for the event if the gift was solicited by a Member or staffer.

[See Paragraph 7.3 in [CPS-008 Section 7.0](#)]

3.1.10 I am participating in a fundraising event for a Member's campaign committee at a skybox in the arena at a professional basketball game. The event was arranged through the Lockheed Martin Employees' Political Action Committee. If I use my corporate credit card to pay for the cost of food and drinks, and am promptly reimbursed by the LMEPAC, have I violated any policies or regulations?

Yes. This is a prohibited corporate political contribution regardless of how quickly the LMEPAC reimburses the Corporation. Lockheed Martin employees should never use a corporate credit card to pay for any expenses related to a political fundraising event.

[See [CPS-004, Political Activity](#)]

3.1.11 Our site is hosting our area's U.S. Representative for an official tour. Our site consists of many buildings, and it is common practice for us to move from one building to another via golf carts. Can we shuttle the Representative around the site in our golf carts or is this a violation of CPS-008?

Yes, you may. Transportation via golf carts on our property is allowed.

[See Paragraph 6.10 in [CPS-008 Section 6.0](#) and Paragraph 7.31 in [CPS-008 Section 7.0](#)]

3.1.12 I work closely with our customers on the Hill, but I am not myself a registered lobbyist. I received a request from a Congresswoman to buy a table at a charity event honoring her. The charity is reputable, and one I know has been supported by Lockheed Martin in the past. Is putting the cost of the table on my Lockheed Martin credit card a violation of CPS-008 or government gift rules?

Before you make such a contribution, it should be reviewed by element legal counsel. Since you are not a registered lobbyist, it is possible that the contribution is permissible. Solicitation of such a charitable contribution from, and the making of such a charitable contribution by, a registered lobbyist are prohibited. An employee of Lockheed Martin who is a registered lobbyist should never use his or her corporate credit card to make such a contribution.

Generally, a Member or staffer may solicit a contribution to a charity provided that the Member or staffer does not control the charity (which includes sitting on its board), or provided that the Member or staffer will not receive any personal benefit from the contribution. The rules allow Members or staffers to solicit charitable donations otherwise permissible through the use of mass mailings and appeals to broad groups of persons. This is permissible because it is impracticable to screen the mailing list (or email list) for registered lobbyists. Under no circumstances, however, may a Member or staffer solicit from anyone a donation to a charity to be made in the Member's or staffer's name or the name of a Member's or staffer's spouse or other family member.

[See Paragraph 7.29 in [CPS-008 Section 7.0](#)]

3.2 Business Courtesies to U.S Executive Branch Employees

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3.2.0 What is Executive Order 13989 and “The Ethics Pledge”?

Executive Order 13989, also known as the “Ethics Pledge,” puts limits on acceptance of business courtesies by Presidential Appointees that are more restrictive than the general rules for U.S. Executive Branch employees. These individuals are generally prohibited from accepting items that other Executive Branch employees would normally be able to accept. If your planned business courtesy involves such an individual, review [CPS-008’s](#) section on Business Courtesies to U.S. Executive Branch Employees (Military or Civilian) for specifics. If you still have questions, contact the Ethics Office.

[See Paragraph 7.18 in [CPS-008 Section 7.0](#)]

3.2.1 Can Lockheed Martin provide local transportation to and from the airport to an executive branch employee visiting a Lockheed Martin facility?

The cost of the transportation would have to be consistent with the “\$20/\$50 rule,” (not exceed \$20 per occasion or \$50 per year from all of Lockheed Martin) and in most situations, transportation will exceed this amount. Keep in mind that if you are providing other hospitality to the executive branch employee as part of the visit, that would also count toward the \$20/\$50 rule’s limits. Additionally, Political Appointees subject to Executive Order 13989 (the “Ethics Pledge”) cannot accept things of value (including transportation) from Lockheed Martin.

Please note that transportation within a Lockheed Martin site, by site bus or golf cart, is generally acceptable. If you have any questions about transportation, contact [your Ethics Officer](#).

[See Paragraph 6.10 in [CPS-008 Section 6.0](#) and Paragraph 7.20 in [CPS-008 Section 7.0](#)]

3.2.2 Can an executive branch employee sit at a table purchased by Lockheed Martin at an event for which Lockheed Martin is not the sponsor?

It depends. If the event meets the “widely attended gathering” (WAG) exception to the gift rule, then the answer is yes; note that the WAG designation is determined by the employee’s agency, not by Lockheed Martin. Alternatively, if the sponsor of the event, rather than Lockheed Martin, determines which executive branch employees sit at the Lockheed Martin table, the employee may accept one of the Lockheed Martin-purchased seats. In all other cases, the answer is no.

Note: the WAG exception does not extend to Political Appointees subject to Executive Order 13989. Political appointees cannot accept free attendance at a WAG.

[See Paragraphs 7.23 and 7.24 in [CPS-008 Section 7.0](#)]

3.2.3 What is a "widely attended gathering" (WAG) and who can designate an event as one?

The executive branch employee's agency (typically the designated agency ethics official) must decide whether an event is a "widely attended gathering," not Lockheed Martin. WAG designations must be requested and made in advance of the event. If you anticipate wanting customer representatives or other executive branch employees to attend an event that you believe may meet the criteria for a WAG, you need to engage with the Ethics Office or element legal counsel as early as possible in the planning process in order to ensure that proper approvals are obtained. If multiple agencies are involved (e.g., attendees from the United States Air Force and the Federal Aviation Administration), a WAG determination is required from each agency office involved.

The WAG exception does not extend to Political Appointees subject to Executive Order **13989**. Note: a non-charity event that is primarily recreational in nature (such as skiing, golfing or attending a sporting event) is not a WAG.

[See Paragraphs 7.23 and 7.24 in [CPS-008 Section 7.0](#)]

3.2.4 We are sponsoring a hospitality suite/chalet at an air show. We don't plan on doing anything different for DoD personnel than any other attendees. Is this acceptable?

This would usually be acceptable. It is permissible for an executive branch employee to visit a Lockheed Martin suite or chalet and to accept food, drinks and other refreshments - provided that the employee's agency has made a determination that the air show or similar event meets the "widely attended gathering" exception to the gift rule, [5 C.F.R. § 2635.204\(g\)\(2\)](#) (which is typically the case for air shows at which the government has sent representatives), and entrance to the Lockheed Martin suite or chalet and the food, drink and other refreshments is available to all attendees of the air show.

Under the widely attended gathering exception, an executive branch employee may accept food, refreshments, or entertainment furnished to all attendees as an integral part of the event. This does not include, however, travel expenses, lodging, or entertainment collateral to the event, or food or refreshments not available to *all* other attendees.

Note: the WAG exception does not extend to Political Appointees subject to Executive Order **13989**.

[See Paragraphs 7.23 and 7.24 in [CPS-008 Section 7.0](#)]

3.2.5 Can Lockheed Martin "split the difference" for or "buy down" a gift with an executive branch employee to keep the value of a gift under the \$20 limit by having the executive branch employee pay any amount over \$20? For example, can an executive branch employee pay \$15 for a basketball game ticket with a face value of \$35 in order to comply with the rule?

No. The executive branch employee must pay for the entire market value of a gift worth more than \$20.

Note: Full-time Political Appointees are not permitted to accept gifts covered by the \$20/\$50 rule because they are subject to stricter rules under Executive Order 13989 (the "Ethics Pledge").

[See Paragraphs 7.18, 7.20, and 7.21 in [CPS-008 Section 7.0](#)]

3.2.6 Is it permissible to give an executive branch employee a model, framed photo, plaque, or other gift with a value over \$20 upon his or her retirement, change of station, or reassignment?

Until actual retirement, (not just on terminal leave) an executive branch employee is limited in what gifts he or she may accept from Lockheed Martin.

Appropriate gifts for an executive branch employee that are allowed per [CPS-008](#) are: greeting cards; or items of little intrinsic value such as plaques, certificates and trophies which are intended primarily for presentation. Additionally, you may provide an item that has a fair market value up to \$20 USD if that executive branch employee has not received more than \$50 USD in total from Lockheed Martin in a calendar year.

Note: In addition to the President, Vice President, and Executive Office of the President, the Executive Branch also includes the Departments of: Agriculture, Commerce, Defense (DoD), Education, Energy (DOE), Health and Human Services, Homeland Security, Housing and Urban Development (HUD), the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs.

Note: the \$20/\$50 USD gift rule does not extend to Political Appointees subject to Executive Order 13989; Political Appointees **may not accept any** gifts from Lockheed Martin.

[See Paragraphs 7.18 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.7 What gift or token of appreciation can Lockheed Martin provide to an executive branch employee who is speaking at an event sponsored by Lockheed Martin?

Lockheed Martin may not provide an executive branch speaker with a gift whose value exceeds \$20 USD. Plaques or other gifts intended for presentation, or a gift to a charity in lieu of a gift to the executive branch employee, should also comply with this limit.

Note: the \$20/\$50 gift rule does not extend to Political Appointees subject to Executive Order 13989; these individuals may not accept any gifts from Lockheed Martin except:

- modest food and non-alcoholic refreshments, such as soft drinks, coffee, and donuts, offered other than as part of a meal
- greeting cards and items with little intrinsic value, such as plaques, certificates and trophies which are intended solely for presentation

[See Paragraphs 7.18 through 7.20 in [CPS-008 Section 7.0](#)]

3.2.8 I understand that the U.S. government ethics rules provide a “foreign area exception” to the usual gift rules. Can Lockheed Martin use the “foreign-area exception” to the \$20/\$50 gift rule if the only non-U.S. person present at the meal or event is a Lockheed Martin employee or agent?

No, there must be a non-U.S. person present that has no employee or agency relationship with Lockheed Martin for the foreign-area exception to apply.

Note: the “foreign area exception” does not extend to Political Appointees subject to Executive Order 13989; these individuals may not accept any gifts from Lockheed Martin even when outside the U.S.

[See Paragraph 7.27 in [CPS-008 Section 7.0](#)]

3.2.9 Is Lockheed Martin obligated to track the \$20/\$50 rule to make sure the executive branch employee does not exceed the \$50 amount in one year?

Lockheed Martin cannot knowingly violate the government's ethics and standards of conduct rules. That being said, a rule of reason and practicality must be used. For example, Lockheed Martin business areas need not coordinate among themselves to ensure that a particular executive branch employee who has business with each of them has not accepted sandwiches at various luncheon meetings in one year having a total value greater than \$50. However, it is prudent to be attentive to the \$50 annual limit when hosting multiple meetings and reviews during the year. We should inform the executive branch employees of the value of the lunches to ensure they do not violate the \$20/\$50 rule and provide a means for them to reimburse Lockheed Martin and receive a receipt if either the \$20 or \$50 limit will be exceeded. An "honor basket" (or other collection method) may not be used for reimbursement (see also FAQs 3.0.6 and 3.2.11).

Note: the \$20/\$50 gift rule does not extend to Political Appointees subject to Executive Order 13989 (the "Ethics Pledge"); these individuals may not accept any gifts from Lockheed Martin.

[See Paragraphs 7.16, 7.17, 7.18 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.10 The spouse of our main government customer has passed away. We would like to send flowers to the funeral or donate money to a memorial fund designated by the executive branch employee. It seems cheap to only spend \$20. Is this an exception to the \$20/50 rule?

No. The \$20 USD gift limit applies to a gift made "indirectly" to an executive branch employee by giving the gift to or on behalf of the executive branch employee's spouse or family member (see FAQ 1.8, above), including to a charity. A direct or indirect gift of cash in any amount is prohibited.

This prohibition is also unaffected by any personal friendship between the Lockheed Martin employee and the executive branch employee, unless that personal friendship arose outside of or pre-existed the professional relationship between the Lockheed Martin and executive branch employees. The \$20 USD rule does not apply for the funeral of an executive branch employee, as the employee's death terminates his or her status as a government employee - provided that the former employee's spouse is not a current government employee.

Note: the \$20/\$50 gift exception does not extend to Political Appointees subject to Executive Order 13989 (the "Ethics Pledge"); these individuals may not accept any gifts from Lockheed Martin.

[See Paragraphs 7.18 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.11 I am setting up a lunch to commemorate our program completing an important milestone. I have invited our DoD customer to attend. The cost of the lunch is \$15 per person. Our customer has also attended similar luncheons this year. I know our customer cannot receive more than \$20 from us on a single occasion and \$50 on yearly basis, so I'm planning on having an "honor basket" or passing around a collection hat for our customers to pay for their lunches if this lunch exceeds those limits. Is this in violation of CPS-008?

Yes, it is a violation. [CPS-008](#) requires that you provide a legitimate way to collect and document full payment, and "Honor baskets" (or similar payment methods) are expressly prohibited as collection methods.

While it is the responsibility of each of your DoD invitees to know the threshold of the limits imposed upon them by the U.S. federal branch's gift rules, Lockheed Martin employees should not knowingly provide any business courtesies outside the limits.

The better course of action is to provide the DoD invitees with the specific cost of the luncheon at the time of the invitation and to request that each invitee provide payment to a designated person before or at the start of the luncheon if the DoD invitee deems it necessary. Consider using a standard form that the invitees can complete with payment attached.

Note: the \$20/\$50 gift rule does not extend to Political Appointees subject to Executive Order 13989 (the "Ethics Pledge"); these individuals may not accept any gifts from Lockheed Martin.

[See Paragraphs 7.18, 7.20, and 7.22 in [CPS-008 Section 7.0](#)]

3.2.12 I'm in charge of organizing my business area's internal conference on government contracting. I've lined up multiple speakers from commercial organizations, including competitors, and I've invited our main government Contract Officer to be our keynote speaker. I would like to pay for the travel expenses of all the speakers, and I thought it would be nice to offer the Contract Officer an honorarium for being our keynote speaker. Is any of this a violation of CPS-008?

It is not encouraged that Lockheed Martin pay for the non-local travel expenses of commercial business relations, but our policy does allow it when offered in conjunction with legitimate business activities and if the expenses are reasonable. You must check with each of the commercial speakers to ensure that such an offer is not in violation of their organization's rules or policies. [See Paragraph 7.10 in [CPS-008 Section 7.0](#)]

Employees of U.S. federal agencies may accept payments such as travel expenses and conference fees from non-federal sources (like Lockheed Martin) in connection with attendance at certain meetings or similar functions. Such payments require prior approval of the agency and are not always approved, especially where acceptance could create a real or apparent conflict of interest. If you are interested in pursuing such authority to pay for the expenses of a U.S. executive branch employee to attend an event, coordinate with the Ethics Office and element legal counsel. Any other items of value provided to the employee during the conference are subject to the general gift-giving rules; e.g., the government Contract Officer cannot accept anything of value from Lockheed Martin over \$20 USD on a single occasion and \$50 USD within a calendar year (from Lockheed Martin). Additionally, the Contract Officer could not accept, and you should not offer, any cash or cash equivalents, including honoraria. [See Paragraph 7.20 in [CPS-008 Section 7.0](#)]

Note: Many of the gift exceptions allowed to U.S. federal executive employees are not extended to Political Appointees subject to Executive Order 13989 (the "Ethics Pledge"); these individuals may not accept any gifts from Lockheed Martin.

[See Paragraphs 7.18 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.13 I'm having a private holiday party at my home where I plan on serving food and beverages. I estimate the per person fair market value of food and beverages to be in excess of \$30. I've invited all my coworkers, but I work on a military base, so my coworkers are a mix of U.S. government personnel and other Lockheed Martin employees. Would this violate CPS-008?

Yes. It makes no difference whether you use your own money or the Corporation's – the rules still apply. Your “coworkers” who are actually government personnel cannot accept business courtesies over \$20 USD on a single occasion. Since your relationship with these coworkers was developed through work, and there is no prior relationship, the invitation to attend your holiday party is considered to be associated with Lockheed Martin even though the party will be at your home. Additionally, some of your government coworkers may be subject to Executive Order 13989 (the “Ethics Pledge”) and are further prohibited from accepting anything from Lockheed Martin (i.e., the \$20/\$50 USD gift exception does not extend to them).

[See Paragraphs 7.18 and 7.20 in [CPS-008 Section 7.0](#)]

A different situation would occur if you had a personal friend who happens to be an officer in the military, and he joins your group as a government “coworker.” Since there is a prior relationship before working together through Lockheed Martin, an invitation to him may not be considered inappropriate. You should always exercise discretion and good judgment, however, when providing hospitality or gifts to family and friends employed by the government. When in doubt, the following questions may help you determine your motivation:

1. Have you interacted with this person outside of work (and work-related functions) in the past? With what frequency?
2. If you were not working for Lockheed Martin at this moment, would you still want to provide this gift to this person now?
3. Does Lockheed Martin have any pending business, etc. in front of this Member or staffer (or the Member or staffer’s Committee) that could make the proposed gift appear to be a conflict of interest?

Before proceeding you should contact the Ethics Office or element legal counsel to review the circumstances.

Note: If the gift is being charged to, or reimbursed by, Lockheed Martin, it is not considered to be a gift based on a personal friendship.

[See Paragraph 5.8 in [CPS-008 Section 5.0](#), and [CRX-014, Conflict of Interest](#).]

3.2.14 We are planning a 2-day meeting with our U.S. government customer and have arranged for lunch to be served both days. The lunch for each day will be \$15 per person. Because each lunch is under \$20, have we met the \$20/\$50 rule?

This approach would not be permitted under [CPS-008](#). The \$20/\$50 rule provides that an executive branch employee cannot accept a gift from Lockheed Martin exceeding \$20 per occasion or \$50 per year. Although the lunches separately are under \$20 dollars, the whole conference must be considered as one occasion and \$30 for both lunches would violate [CPS-008](#). This doesn’t mean you can’t provide food; it just means that the executive branch employees will need to pay for their own meals. Refer to [FAQ 3.2.9](#) for recommended actions.

[See Paragraphs 7.17, 7.20, 7.21, and 7.22 in [CPS-008 Section 7.0](#)]

3.2.15 Do coffee and doughnuts (as a standalone refreshment, not part of a meal) count toward the \$20/\$50 rule?

No. Coffee and doughnuts are considered “nominal value” items and are generally not counted towards the \$20/\$50 limits. However, we should be careful to follow the spirit of the U.S. government’s gift rules and not purchase very expensive coffee and/or doughnuts to serve to executive branch employees.

Additionally, we do recognize the possibility that elements of the executive branch may have their own individual interpretation of “nominal” and in all instances, their rules would be the overriding factor. (For example, if members of the Marine Corps were directed not to accept anything, including coffee, that rule would take precedence.) It is up to the executive branch member to know their own rules and to be certain they do not violate them. Political Appointees subject to Executive Order 13989 (the “Ethics Pledge”) may accept coffee and doughnuts. Like all executive branch employees, however, they have the right to refuse such an offer.

[See Paragraphs 7.19 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.16 Can food items like breakfasts and sandwiches be considered “nominal value” items?

No. Breakfasts, sandwiches, and similar food items are considered meals and are subject to the \$20/\$50 hospitality limits. In contrast, items like fruit, chips and soda are considered to be of nominal value.

[See Paragraphs 7.19 and 7.20 in [CPS-008 Section 7.0](#)]

3.2.17 Can Lockheed Martin "loan" a model or other presentation item to an executive branch employee or to a government agency?

A loan to an individual executive branch employee is treated as a gift and is subject to all the applicable gift rules. It is possible to "loan" a tangible item to an agency. Loans to government agencies and entities require prior approval from Legal Counsel and proper documentation (see [CPS-008](#) section 7.7). Lockheed Martin may not characterize a transaction as a "loan" in order to avoid following the agency’s gift rules.

[See Paragraph 7.7 in [CPS-008 Section 7.0](#)]

3.2.18 My neighbor, who is a member of the military, and I work at the same government facility. We do not work together, but we both commute to the same facility and have similar hours. I've suggested we carpool, sharing the driving responsibilities (I'll drive Monday and Wednesday, she'll drive Tuesday and Thursday, and we'll split Fridays twice a month). Would I violate CPS-008?

Carpooling in this situation is not a violation of [CPS-008](#).

[See Paragraph 6.10 in [CPS-008 Section 6.0](#)]

3.2.19 I planned for a business meal based on attendance of 30 people, 15 of whom are government employees and 15 of whom are LM employees. The planned per person cost was \$20 per head (at the threshold of what we can provide to the guests). We informed the government invitees that the meal was within the acceptable hospitality limits. On the day of the event, some of the expected guests were not able to participate. Does this mean that our total meal costs need to be divided by a smaller number of attendees, making the per-person meal costs over the \$20 per-event hospitality limit? Do I need to request payment from the government employees to account for the increased costs, and keep their meals within the hospitality limits?

No. Each participant in the event is still receiving the same meal as was originally planned, so the per-person cost originally calculated is still valid. The extra cost of the uneaten meals intended for the Lockheed Martin invitees who did not participate will be appropriately borne by Lockheed Martin.

[See Paragraph 7.20 in [CPS-008 Section 7.0](#)]

3.2.20 Paragraph 7.17 of CPS-008 says, “You must inform U.S. executive branch employees of the fair market value of any business courtesies you will provide so *they* can determine whether or not they can accept.” Does that mean that in some instances, a U.S. executive branch employee could receive permission from their own organization to accept a business courtesy that falls outside rules and regulations?

No. The CPS-008 sentence you cited refers to the responsibility that both the offeror and the recipient have to **comply** with all of the applicable business courtesy rules and regulations. Using the \$20/\$50 rule as one example, Lockheed Martin employees are responsible to ensure that any courtesy they offer a U.S. executive branch employee complies with the \$20/\$50 rule. U.S. executive branch employees are responsible for keeping track of business courtesies they have accepted from Lockheed Martin in any given year, particularly if the government employee does business with multiple Lockheed Martin business areas. Lockheed Martin informs U.S. government employees of the value of business courtesies so that the recipient can make an informed decision about whether to accept the courtesy. Additionally, anyone offered a business courtesy from Lockheed Martin has the right to refuse the offer, even if acceptance is permitted within the applicable business courtesy rules, regulations, or policies.

[See Paragraph 7.17 in [CPS-008 Section 7.0](#)]

3.2.21 Are there any exceptions with respect to providing meals to U.S. executive branch employees when they are outside the U.S.?

Yes. If the U.S. executive branch employee is in a non-U.S. region, (and they are not a fulltime Political Appointee, and therefore subject to Executive Order **13989**) you may offer food, refreshments, or entertainment during a meal, meeting, or event IF all of the following criteria apply:

- Within Foreign Per Diem: The fair market value of the food, refreshments, or entertainment does not exceed the maximum per diem rate for the foreign area specified on the [U.S. Department of State's Foreign Per Diem Rates by Location website](#).
- Participation by Non-U.S. Individuals: There is participation in the meal, meeting, or event by non-U.S. citizens or by representatives of foreign governments or foreign entities.
- Attendance is Part of Official Duties: Attendance at the meeting or event is part of the U.S. government employee's official duties to obtain information, disseminate information, promote the export of U.S. goods and services, represent the U.S., or otherwise further programs or operations of the agency or the U.S. mission in the foreign area.

[See Paragraph 7.27 in [CPS-008 Section 7.0](#)]

3.2.22 I've been asked to plan a small cocktail reception for some members of the United States Marine Corps customers as part of a celebration for an achievement on a project. The cost is around \$18.50 per person. There may be a few members of the USG customer team that have attended other lunches throughout the year. While CPS-008 states an Executive Branch customer may not accept more than \$20 on a single occasion or more than \$50 on an annual basis, I'm thinking I can use a basket to collect cash from the customers who feel they may be close to the \$50 annual limit. Would this be a violation of CPS-008?

Yes, it is a violation. At one time, honor baskets were permitted; however, Lockheed Martin now PROHIBITS the use of honor baskets. CPS-008 requires LM to find a legitimate way to collect and document full payment from each US Executive branch employee and notify the USG customer of the fair market value of any business courtesy being offered. While it's the responsibility of the USG customer to know their own gift rules, including the 20/50 limitation, Lockheed Martin employees should not offer any business courtesies outside the limits.

NOTE: The \$20/\$50 rule does not extend to Political Appointees subject to Executive Order 13989 (The Ethics Pledge). These individuals may not receive gifts from Lockheed Martin.

3.3 Business Courtesies to Commercial Business Relations

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3.3.0 I won four tickets to a baseball game from an internal raffle. The seats are Lockheed Martin's season tickets. I'd like to invite a friend of mine and her partner to join my spouse and me at the game. My friend works for a U.S. commercial business relation of Lockheed Martin, but she doesn't do any work with Lockheed Martin. We've been friends for many years since our kids started playing on the same t-ball team, before we had these jobs. The face value of each tickets is \$79 apiece. Is inviting her and her partner a violation of CPS-008?

No, your personal relationship with the business relation appears to be the motivation of the offer. In this situation, the invitation to join you and your spouse at the baseball game would fall under the exception of exchanging gifts with those who are considered family or personal relations. When in doubt, the following questions may help you determine your motivation:

1. Have you interacted with this person outside of work (and work-related functions) in the past? With what frequency?
2. If you were not working for Lockheed Martin at this moment, would you still want to provide this gift to this person now?
3. Does Lockheed Martin have any pending business, etc. in front of this business relation that could make the proposed gift appear to be a conflict of interest?

Note, though, that you should double check with your friend to ensure that the rules of her employer would allow her accepting the gift. [See Paragraph 5.8 in [CPS-008 Section 5.0](#)]

3.3.1 My business area is hosting a supplier conference. We are planning an activity and want to award prizes to attendees who win a contest. Would purchasing gifts up to \$150 each be appropriate according to CPS-008?

Provided the business courtesy meets the other criteria in [CPS-008](#), generally you are allowed to offer business courtesies with a fair-market value under \$150 to a commercial business relation of Lockheed Martin (unless the [International Hospitality Rules](#) for the country provide for a lower amount). However, an item with this dollar value could exceed what the supplier's own rules allow. In this situation, it is recommended that you use Lockheed Martin logo items of nominal value (under \$20).

[See Paragraph 7.10 in [CPS-008 Section 7.0](#)]

3.3.2 We are hosting members of a U.S. commercial company at our Lockheed Martin facility all day for a tour. We plan to provide breakfast and lunch. What else may we provide?

Generally, you are allowed to offer breakfast up to \$50 USD per person, lunch up to \$100 USD per person, and other business courtesies with a fair-market value under \$150 USD to a commercial business relation of Lockheed Martin (unless the [International Hospitality Rules](#) for the country provide for a lower amount). All business courtesies provided by Lockheed Martin should be related to our business. It would be most appropriate to provide Lockheed Martin branded or logo items to the tour participants.

[See Paragraph 7.9 in [CPS-008 Section 7.0](#)]

3.3.3 If I'm dealing with non-U.S. private business, are there some additional guidelines I should look at?

Refer to [CRX-014 Conflict of Interest](#), [CPS-005 International Operations](#), and [CPS-730 Compliance with the Anti-Corruption Laws](#). Also, each country has limits for gifts and hospitality, and they vary widely and can change. You should access the [International Hospitality Rules](#) for the current commercial limits for the specific country you are dealing with. Note that for non-U.S. business relations, it is important to have information about the company, such as whether it is government-owned or controlled by the government. This can be difficult to determine, and so you should engage with Ethics or element legal counsel to make this determination if you do not have reliable data.

[See Paragraphs 7.40 through 7.46 in [CPS-008 Section 7.0](#)]

3.3.4 Can I give a small gift to the janitor/cleaning person at our facility, who is a subcontractor? I'd like to take up a collection to buy this individual a gift card.

Requests to contribute to a cash collection towards a group gift for a business relation are generally prohibited. A request for an exception could be submitted for review and pre-approval by an [Ethics Officer](#) or element legal counsel in rare cases. (See also [FAQ 1.12](#))

[See Paragraph 5.4 in [CPS-008 Section 5.0](#)]

3.4 Business Courtesies to Educational or Research Institution Employees

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3.4.1 Are employees of a public educational or research institution or university considered public officials?

Yes, for the purposes of [CPS-008](#), people associated with a public university are considered public officials of the government that owns or controls the institution.

[See Paragraphs 7.12 and 7.13 in [CPS-008 Section 7.0](#)]

3.5 Business Courtesies to Non-U.S. Public Officials

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3.5.1 How do I determine which country's International Hospitality Rules to use?

3.5.1 How do I determine which country's International Hospitality Rules to use?

In some cases, an individual person's nationality may not be the same as the country of the organization that the person represents. In such cases, you should use the [International Hospitality Rules](#) for the country associated with the organization, not the country associated with the individual person.

If the recipient is a Public Official, use the country associated with the governmental organization (e.g., ministry, agency, department, government-owned entity, etc.) that the recipient represents. For example, if you plan to provide hospitality to an Egyptian national who is employed by a UAE agency, you should use our [International Hospitality Rules](#) for the UAE.

If the recipient represents a commercial organization, identify the recipient's office location for the organization the recipient represents, and use the International Hospitality Guidelines for that location. For example, you would use our International Hospitality Rules for the UK if you plan to provide hospitality to employees of BAE Systems PLC's London office, irrespective of the nationality of the BAE employees.

If you are uncertain about which country's [Hospitality Rules](#) to apply, please seek guidance from your business element's legal counsel.

[See Paragraphs 7.9 and 7.40 through 7.46 in [CPS-008 Section 7.0](#)]

3.5.2 I know there are dollar limits for meals with non-U.S. public officials. Where can I find these limits?

You can find these limits by accessing the [International Hospitality Rules](#) for a given country.

[See Paragraphs 7.40 through 7.46 in [CPS-008 Section 7.0](#)]

3.5.3 I recently had dinner with a non-U.S. public official and a commercial customer representative after a meeting in Europe and paid for both of their meals, including alcohol (for which I got approval). I reviewed the International Hospitality Rules beforehand, but when the bill came, the total for their meals exceeded the guidelines by about \$20 each. This seems like a small amount – do I have to report this?

Yes. Consulting the [International Hospitality Rules](#) beforehand was a good step, as was getting DTA or other BA-designated approval for the inclusion of alcohol. Now that the meal has already occurred, the amount may seem trivial, but exceeding what's permitted could mean we violated the law as well as our own policies. You should contact the Ethics Office or element legal counsel for direction on how to proceed. By exceeding the stated LM guidelines without having the required advance review and approval, you have violated the policy, and potentially applicable law or regulation, and the hospitality must be reported to senior LM leadership.

[See Paragraph 7.42 in [CPS-008 Section 7.0](#)]

3.5.4 Part of my job is to assist with business development. A potential customer who is based outside the U.S. is attending the same conference in Asia as a number of our employees. I don't know much about the potential customer, but I've been asked to contact my counterpart at the company and arrange for a dinner and a sightseeing tour. Is it OK for us to offer this type of hospitality?

Dinner is likely permissible; you should check the [International Hospitality Rules](#) for the customer's country. Since hospitality must be related to Lockheed Martin business, the sightseeing tour is not permitted; you may request a policy exception if you want to proceed with this by submitting a request in the [Serena CPS-008 Exception Request Tool](#).

Note that for non-U.S. business relations, it is important to have information about the company, such as whether it is government-owned or controlled by the government. Since this can be difficult to determine you should engage with Ethics or element legal counsel to make this determination if you do not already have reliable data. Any hospitality offered to non-U.S. Public Officials and non-U.S. Commercial Relations must comply with the applicable [International Hospitality Rules](#).

Further, under [CPS-730](#), we cannot offer or provide anything to induce improper action or secure an improper business advantage. This applies to existing and prospective customers as well as other business relations. [See Paragraphs 7.40 through 7.45 in [CPS-008 Section 7.0](#) and [CPS-008 Section 9.0](#)]

3.5.5 I am planning a dinner with a non-U.S. audience made up of public officials and commercial business relations. Where can I find advice on cultural considerations for events like this?

Contact the [Corporate Protocol Office](#) with questions about planning these types of events. You can find specific limits for meals in [CPS-008](#) Section 7.9, 7.10 and 7.43 and 7.44, as well as in the [International Hospitality Rules](#). Note that several of the Hospitality Rules draw a distinction between a government customer and a commercial or private customer which may impact the hospitality limits. [See Paragraphs 7.9, 7.10, 7.43, and 7.44 [CPS-008 Section 7.0](#)]

3.5.6 Several times over the last year, I've been invited to the homes of a few of my non-U.S. Public Official customers for dinner. I would like to reciprocate and invite them to my home for dinner, along with their spouses and children. This will not show up as corporate expense as I will personally incur the costs. Is this allowed?

No. You should not fund such an event with your personal money. While a friendship may have developed with these customers, it was initiated by and derived from Lockheed Martin business. We cannot separate any perception of Lockheed Martin involvement from this proposed dinner. With multiple officials and their family members mentioned, your element legal counsel will need to obtain outside counsel's opinion. To facilitate that request, you will need to provide your element legal counsel the following information: names and relationships of intended invitees; intended cost/value of any hospitality; and basis for invitation. Your request to element legal counsel should be done via the [Serena CPS-008 Exception Request Tool](#). If you cannot access the tool, please use the exception request [form](#) (see the "Exception Request" section of the webpage).

Note that the cost of anything given to the family member(s) of the Public Officials is viewed as cumulative total value to the Public Officials directly. Additionally, as specified in [CPS-008](#) section 5.6, no business courtesy may be offered to a non-U.S. Public Official's family member without prior approval of element legal counsel.

[See Paragraph 5.2 in [CPS-008 Section 5.0](#) and [CPS-008 Section 9.0](#)]

3.5.7 I work in the U.K. and am arranging an event to celebrate a programme milestone with my Royal Naval customers. The Royal Navy has an exchange programme with the U.S. Navy, and the U.S. Assignee to the Royal Navy is invited to our event. What are the guidelines?

The [International Hospitality Rules](#) govern the hospitality that Lockheed Martin employees may provide to non-U.S. public officials and commercial relations.

In this instance, U.K. Hospitality Rules applicable to the Royal Naval representatives provide limitations for meals, transportation, lodging, entertainment, and gifts that ensure compliance with both the U.S. FCPA and the U.K. Bribery Act. Any questions regarding compliance with these laws should be referred to element legal counsel.

[See Paragraphs 7.40 through 7.46 in [CPS-008 Section 7.0](#)]

Regarding the U.S. Navy customer, refer to FAQ [3.2.8](#) and consult [your Ethics Officer](#) for guidance on the rules that apply to U.S. executive branch employees traveling to foreign destinations.

[See Paragraph 7.27 in [CPS-008 Section 7.0](#)]

3.5.8 Most International Hospitality Rules seem to just differentiate between public officials and commercial relations from a country, but some (like those for the Canada, Japan and the UK), show different hospitality limits for different types of government officials. Why is that?

Some government agencies or organizations within an agency, like the Defence Equipment & Support (DE&S) organization within the UK Ministry of Defense, set their own limits on the hospitality and business courtesies their employees can accept. Lockheed Martin employees must be careful to abide by these stricter limits.

[See Paragraphs 7.40 through 7.46 in [CPS-008 Section 7.0](#)]

3.5.9 My non-US government customer will be visiting the US with a small delegation. They are excited to visit an American outlet mall to buy gifts for family members and have asked if Lockheed Martin will rent a vehicle for them to drive there. Would this be considered appropriate?

No. A shopping trip would not be considered a legitimate business activity, so Lockheed Martin should not pay for the rental vehicle. However, the public officials may visit the outlet mall on their own time and at their own expense. [See Paragraphs 7.40 through 7.45 in [CPS-008 Section 7.0](#)]

4.0 Sponsorships

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4.0.1 My team is thinking about sponsoring an organization. Do we just upload the sponsorship agreement to the Serena CPS-008 Exception Request Tool once it's been signed?

No. All sponsorship agreements containing legal terms and conditions must be reviewed by Element Legal Counsel **before Lockheed Martin can sign the agreements**. That means that when the sponsored entity provides the sponsorship agreement, the sponsorship agreement must be reviewed and approved in the [Serena CPS-008 Exception Request Tool](#) **before being signed**, *regardless of whether the sponsorship itself complies with all criteria described in Section 8 of CPS-008*. *This review of the sponsorship agreement must also be completed **before money is sent**.*

In addition, if all of the sponsorship criteria in Section 8 of [CPS-008](#) are *not* met, (and regardless of whether the sponsored entity provides the sponsorship agreement), *an exception request must be submitted in [Serena CPS-008 Exception Request Tool](#)*.

A request for review and approval of a sponsorship agreement or an exception should be submitted for Legal review in the [Serena CPS-008 Exception Request Tool](#) as soon as the recipient organization and amount are defined, even if no written documents (i.e. agreements or invoices) have been exchanged.

[See [CPS-008 Section 9.0](#)]

4.0.2 A U.S. Air Force Base support organization in the area that supports the military and is holding a fundraiser. Can we sponsor their event and provide attendees a small Lockheed Martin logo item?

In order to determine whether we can sponsor the event and provide attendees with a small gift, you will need to determine whether the organizer is a separate charitable organization (as opposed to an informal organization that is part of the Base) and whether the recipients of the gift would be active duty military or other U.S. government employees. If the organization is a part of the military, you will need to seek prior Legal approval before committing any money to the sponsorship. Refer to [CPS-008](#) Section 8 for guidance regarding sponsorship criteria. [See [CPS-008 Section 8.0](#)]

Regardless of the status of the organization, if Lockheed Martin will be directly providing each attendee with a small gift (i.e., either Lockheed Martin personnel directly hands it out or Lockheed Martin gives the items to the organizer with express intent to be provided to each attendee) we need to determine the type of attendees and our gift limits. If the attendees will include different types of individuals (some active military personnel, some civilian personnel of the base, others with commercial companies, and just private citizens) it is best to use the lowest dollar value and gift criteria allowed per [CPS-008](#) for all attendees. You can also consult with the Ethics Office or element legal counsel for guidance.

[See paragraph 7.20 in [CPS-008 Section 7.0](#)]

4.0.3 We are considering the possibility of sponsoring a golf tournament in our area. In exchange, the tournament organizer wants to provide free participation to a group of our employees who have been active volunteers for the charity. Can we go ahead with the sponsorship and accept the free participation?

Certain sponsorships that meet all of the criteria may be undertaken without review by element legal counsel. These must meet criteria set out in [CPS-008](#), including (but not limited to), that the sponsorship amount is less than \$25,000.00 USD and no award of any business project is conditioned upon the sponsorship in any way. (Refer to [CPS-008](#) Section 8 for additional requirements.) As to whether we can accept free participation for our employees, it would depend on whether this is part of the sponsorship package (that is, being offered to other participants on the same basis). Consult with the Ethics Office or element legal counsel for guidance. [See [CPS-008 Section 8.0](#)]

4.0.4 Our program works closely with organizations outside the U.S. We have been asked to sponsor an event abroad. What information do we need to gather to evaluate the opportunity?

In most respects, a non-U.S sponsorship is subject to the same rules as one within the U.S. You must determine whether a sponsored organization is owned, controlled by, or associated with a government, government organization, or Public Official. In addition:

- Sponsorships cannot be requested by, or at the behest of, a government office or Public Official.
- No business project can be conditioned on the sponsorship.
- The sponsorship payment must be made to an organization and not to any individual, and the organization must sign and return a form required by policy.

Our policy contains additional requirements; consult [CPS-008](#) Section 8 for the full list. [See [CPS-008 Section 8.0](#)]

4.0.5 My Business Area is going to give an organization \$10,000 to sponsor an event. We learned that two other parts of Lockheed Martin each want to give \$10,000 to sponsor the same event. Do we need to request an exception because of the cumulative value (\$30,000)? Or, since we are each under the CPS-008 sponsorship limit, do we not need an exception?

The contributing Business Areas should choose one person to submit an exception request on behalf of all three business areas, instead of submitting three separate exception requests with their own compliance certification forms and other duplicate information. [See [CPS-008 Section 8.0](#)]

4.0.6 We sponsored an organization's spring event for \$20,000. Now we would like to sponsor the same organization for their fall event at \$15,000. Is the \$25,000 sponsorship limit a cumulative amount or considered for each separate sponsorship?

The [CPS-008](#) Section 8 sponsorship requirements are intended to apply to a single sponsorship opportunity. The only cumulative factor to consider is if multiple parts of Lockheed Martin are contributing to the same sponsorship opportunity. Otherwise, there is no requirement to stay below \$25,000 in sponsorships to a single organization within a given calendar year. Each sponsorship opportunity must meet the other requirements in [CPS-008](#) Section 8 before the sponsorship can be fulfilled. [See [CPS-008 Section 8.0](#)]

4.0.7 My team would like to give money to a non-profit for the organization of an event. Would that be considered a sponsorship (governed by CPS-008) or a charitable contribution (governed by CRX-251)?

The answer depends on whether Lockheed Martin expects or intends to receive non-incidentual goods or services from the organization receiving Lockheed Martin funds. Based only on the information provided above, the situation described sounds like a sponsorship.

A charitable contribution is a payment, in property or money, to an eligible recipient, from which Lockheed Martin does not expect or intend to seek non-incidentual benefits in return. Incidentual benefits (i.e. intangible benefits such as community goodwill or volunteer opportunities, and tangible items of nominal value such as pens, pins, or mugs) may be received for a charitable contribution.

Charitable contributions are made with Board-authorized funds from the Corporate Communications budget. Charitable contributions can only be given to organizations in the U.S. or its possessions, or in countries with which the U.S. has an income tax treaty (Canada, Israel, Mexico).

In contrast, a sponsorship is any arrangement whereby Lockheed Martin provides money, property, or services to an organization with the expectation or intention of receiving non-incidentual goods or services in return, commensurate either with the partial or total value of sponsorship funding provided by Lockheed Martin. An example of a non-incidentual good or service would be public recognition of Lockheed Martin as a sponsor of the organization's event.

Sponsorships can be given to an organization, whether non-profit or for-profit, in any country, but are paid for by the business and do not come from the Corporate Communications budget.

Sponsorships, unlike Charitable Contributions, must be submitted to the [Serena CPS-008 Exception Request Tool](#) if the criteria outlined in [CPS-008](#) are not met.

[See [CPS-008 Section 8.0](#), [CPS-008 Section 9.0](#), and [CRX-251 Charitable Contributions](#)]