

# FREY FOUNDATION

## COMMUNITY EVENTS ATTENDANCE POLICY

### BACKGROUND:

Foundation trustees and management are often invited to attend community events and/or to provide support to event-holding organizations through the purchase of tickets. Trustee and management attendance at fundraisers, performing arts activities and other events can provide valuable insights about the communities and the organizations the foundation supports and, accordingly, the foundation will purchase tickets for trustees and management within a reasonable budget. However, it is important to also exercise some caution because the purchase of tickets by the foundation for trustees and management—under certain circumstances—may be prohibited activities due to Internal Revenue Service (IRS) regulations.

### POLICY:

A focus of the foundation's grantmaking has been to encourage building community by strengthening local civic and community organizations and supporting community leadership across all its various program areas in its geographic service area. The foundation may utilize tickets or other support for the furtherance of its charitable purposes.

The trustee or staff member requesting to attend a Community Event should complete the "Frey Foundation Community Events Attendance Checklist" (attached to this policy). Requests will be reviewed and approved by the President or Board Chair of the foundation in the advance of the release of payment by the foundation to the organization (preferred) or for reimbursement. If the trustee or staff person would like to bring a spouse or other family member that does not have an official foundation role, then the value of the ticket for that person will be considered additional compensation for the trustee or staff member.

Appropriate travel expenses incurred in connection with attendance at a Community Event would be reimbursed in accordance with the "Trustee and Next Generation Expense Reimbursement Policy".

### Definition of Community Events –

For purposes of this policy Community Events are activities held by non-profit organizations for charitable purposes and they are for a type of organization that the foundation has supported or would support in its normal geographic service area. It would include tickets or tables that are purchased directly by the foundation and those given to the foundation on a complimentary basis.

### RATIONALE FOR POLICY:

It is important and prudent for the foundation to have a policy to guide the approval process for the purchase of tickets for "disqualified persons" that are in accordance with guidance provided by the IRS. The IRS has ruled that if a "disqualified person" uses a ticket (where economic, tangible benefits are provided) and such person's attendance at the function was reasonable and necessary in the performance of his or her duties for the foundation (grantee oversight, evaluation, etc.), then no self-dealing occurs.

### PROCEDURES:

#### Approval Process

- a. Complete the "Frey Foundation Community Events Attendance Checklist" and submit it to the Director of Financial Operations for processing.
- b. The Director of Financial Operations reviews the request to make sure it is in compliance with the foundation's Policy and to determine if there is any additional compensation created.
- c. The request along with any items will be routed to the President or the Board Chair for approval.

After the request is approved, the processing for payment follows the standard cash disbursement policy of the foundation.

**Approved By: Board of Trustees**

**Effective Date: August 12, 2016**

# Frey Foundation

## Community Events Attendance Checklist

The Frey Foundation strongly believes in strengthening local civic and community organizations and supporting community leadership. One means of accomplishing these goals is through visibility at local events. From time to time it may be appropriate for trustees or foundation managers to attend community events on behalf of the foundation.

To assist the foundation in documenting the rationale for attendance at a community event, please complete the following:

Name: \_\_\_\_\_

Organization and Event Name: \_\_\_\_\_

Not attending or accepting tickets for event

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1. Please check the rationale for attendance:

Gain further information

Show community leadership and support

Review/Evaluate Grantee

Other \_\_\_\_\_

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2. Please provide the names of any related persons that will be attending the community event with you:

1). \_\_\_\_\_ 2). \_\_\_\_\_ 3). \_\_\_\_\_

4). \_\_\_\_\_ 5). \_\_\_\_\_ 6). \_\_\_\_\_

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3. Please list any unrelated person invited to attend which would include other potential contributors to the charity who may benefit from an opportunity to learn about its work:

1). \_\_\_\_\_ 2). \_\_\_\_\_ 3). \_\_\_\_\_

4). \_\_\_\_\_ 5). \_\_\_\_\_ 6). \_\_\_\_\_

(Please list additional persons, if any, below)

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Attendance at this event does not satisfy a personal charitable pledge to the organization.

Additional persons:

Signed: \_\_\_\_\_