

UCF CONVOCATION CORPORATION

Complimentary Ticket Policy

Responsible Authority: UCF Convocation Corporation Board of Directors

POLICY STATEMENT

In recognition of industry standards, the UCF Convocation Corporation (UCFCC) has adopted a policy to provide eligible university and direct service organization (DSO) employees complimentary tickets outside of the normal selling procedures to the general public. The UCFCC policy has a process for determining the appropriate distribution of complimentary tickets to employees and maintaining documentation of all such actions. This policy shall allow for a fair distribution of complimentary tickets based on specific eligibility criteria and the proper management review, approval, and monitoring of tickets distributed. The policy applies only to UCF and its DSO employees. All other requests should be routed to the facility manager.

DEFINITIONS

Complimentary Ticket. Free admission to an event sponsored by the university or its DSOs. For the sake of this policy, events do not include NCAA athletic competitions such as men's and women's basketball.

Internal Revenue Code (IRC). The Internal Revenue Code of 1986.

Fringe Benefit. Any benefit provided by an employer to an employee other than salary or wage payments.

Line of business. CFE Arena operations.

Employee. Any employee, director, or trustee of the university or its DSOs.

PROCEDURES

1. UCFCC, as the owner of tickets available for events at the CFE Arena, has responsibility for the proper approval of employee requests for complimentary tickets and maintaining documentation on all tickets distributed outside of its normal business selling procedures.
2. All complimentary ticket requests must be submitted using the Complimentary Ticket Request Form to the facility manager charged with managing and operating the CFE Arena.
3. The facility manager will conduct the review of all complimentary ticket requests.
4. The facility manager will evaluate each request for compliance with one of the three allowable categories outlined in the criteria section of this policy on a case-by-case basis. Preference will be given to requests in the order in which they are listed.
5. Requests that are particularly difficult to assess will be referred to UCFCC management for final determination.

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6. Requests for complimentary tickets that do not meet one of the three eligible criteria will not be approved.
7. **Complimentary tickets are for the sole use of the employee and their guests.** The resale of complimentary tickets is strictly prohibited.

CRITERIA

Various sections of the IRC allow an employer to provide a non-taxable benefit to an employee. In the case of admission to an event sponsored by the university or its DSOs, and for the purposes of this policy, three sections of the IRC allow this type of benefit to be provided and qualify as non-taxable. These three statutory non-taxable fringe benefits are discussed below.

- 1) Working condition as defined in IRC §132(d) generally allows for an employer to provide a service to an employee for a valid business purpose related to the event for which the tickets are provided.

An example of a working condition benefit would be the provision of a suite during a concert to an employee of the Alumni Association where the suite is used for purposes of donor cultivation.

- 2) No-additional-cost-service as defined in IRC §132(b) is a result of excess capacity and generally allows for an employer to provide to an employee any service. These services must:
 - a. Be offered for sale to customers in the ordinary course of the line of business of the employer in which the employee is performing services, and
 - b. The employer must not incur any substantial additional cost (including forgone revenue) in providing such service to the employee.

Examples of no-additional-cost-services include:

1. An event ticket given to an employee of the arena staff, if the event did not sell all available tickets.
2. A concert ticket given to a UCF employee, if that employee contributes substantial services to the operations of the CFE Arena and the event did not sell all available tickets.

Substantial services depends on the importance of the work performed and the relative amount of time spent in performing that work.

- 3) De minimis as defined in IRC §132(e) generally allows for an employer to provide to an employee a service which is so small in value that accounting for it is unreasonable or administratively impracticable. For the purposes of this policy de minimis is defined as less than \$100 per calendar year, although this is a cumulative annual amount for all areas of employment.

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RELATED DOCUMENTS

IRC § 132. Certain fringe benefits: <http://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleA-chap1-subchapB-partIII-sec132.pdf>

CONTACTS

UCF Convocation Corporation, 407-823-2351,
<http://admfin.ucf.edu/debt-management/#covocationCorp>

TICKET REQUEST FORM

<http://admfin.ucf.edu/wp-content/uploads/sites/6/CompTicketForm.pdf>