

**TRI-CITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS POLICY**

BOARD POLICY #19-044

POLICY TITLE: Distribution of Tickets and Passes to District-Sponsored or Controlled Events and Donated Tickets and Passes

This Policy provides a framework for the District’s distribution of tickets or passes to District officials and others to attend District-sponsored or controlled events, as well as distribution of tickets or passes which are donated to the District. This Policy is authorized by 2 Cal. Code Regs. § 18944.1. This Policy is intended to be consistent with the Fair Political Practices Commission’s regulations regarding gifts and behested payments, but this Policy does not supplant or replace those regulations.

I. DEFINITIONS

- A. “Official” includes members of the Board of Directors, officers, employees and consultants of the District, as defined under the Political Reform Act and its regulations. “Official” also includes any person required to file an annual Statement of Economic Interests (Form 700) under the District’s conflict of interest code.

- B. “Immediate family” means the spouse or registered domestic partner and dependent children, of an Official.

II. APPLICATION

- A. This Policy applies to tickets or passes provided to an Official by the District when:
 - 1. The ticket or pass is to a facility, event, show or performance for an entertainment, amusement, recreational, or other similar purpose, such as a ticket or pass to a tennis tournament, marathon or theater production. This Policy does not apply to a ticket or pass if the only benefit received at the event is food and beverages, such as a dinner or luncheon; and

 - 2. If the ticket is donated to the District by an outside source,
 - a. the ticket or pass is not earmarked by that source for use by a particular Official, and

 - b. the District determines, in its sole discretion, which official may use the ticket or pass; or

 - 3. If the ticket is not donated by an outside source, it is obtained by the District (i) pursuant to the terms of a contract for use of public property,

- (ii) because the District controls the event, or (iii) by purchase of the District at fair market value; and
4. The District distributes the ticket or pass in accordance with this Policy, including the disclosure requirements.
- B. Officials who receive a ticket may elect to treat the ticket as income consistent with applicable state and federal income tax laws. In such event, the District shall report the distribution of the ticket as income to the official on FPPC Form 802 and subject to the disclosure requirements set forth in Section IV of this Policy.
- C. This Policy does not apply to tickets or passes provided directly to an Official from source other than the District, or tickets for which the Official elects to pay to the District the value of the tickets.
1. In the case of a ticket that provides one-time admission or access, when the Official elects to pay for the ticket, the “value” is the price that was or would have been offered to the general public for the ticket. This will usually be the face value of the ticket.
 2. In the case of a ticket that provides repeated admission or access, such as a season ticket, the “value” to the Official is the fair market value of the actual use of the ticket, taking into account the use by any guests who may be admitted with the ticket, or if the ticket is transferred to another person, the fair market value of possible use by that person.
 3. The “fair value” of a ticket or pass that does not have a face value indicated, is the price at which the ticket or pass would otherwise be offered for sale to the general public by the operator of the venue or host of the event who offers the ticket for public sale. Where the price indicated on the ticket does not reflect the actual cost for a ticket in a luxury box or suite, the face value is determined by dividing the total cost of the box or suite by the number of tickets available for that box or suite.
- D. Benefits received by the Official at the event which are not included in admission, such as food, beverages or any other item presented to the Official at the event, must be reported as gifts by the Official if they exceed the reporting threshold.

III. DISTRIBUTION OF TICKETS

- A. The District’s Chief Executive Officer (or his or her designee provided such designation is documented in writing) shall act on behalf of the District under this Policy. The CEO shall manage the receipt, distribution and accounting for all tickets and passes subject to this Policy. The CEO shall determine the value of tickets.

- B. The distribution of any ticket to, or at the behest of, an Official shall accomplish one or more of the following public purposes of the District:
1. Category 1 Public Purposes
 - a. Performance of a ceremonial role or function representing the District at an event.
 - b. The job duties of the Official require his or her attendance at the event.
 - c. Promotion of District-controlled or sponsored events, activities or programs.
 - d. Promotion of the District on a local, state or national scale.
 - e. Encouraging or rewarding District employees.
 2. Category 2 Public Purposes
 - a. Promotion of healthcare related community programs and resources available to residents within the District's service area.
 - b. Attracting or rewarding volunteers at the District's facilities.
- C. The CEO or Designee shall give priority in the distribution of tickets or passes for the public purposes in Category 1 Public Purposes, as first priority and Category 2 Public Purposes, as second priority.
- D. The CEO or Designee may establish procedures governing the timing and form of requests for tickets consistent with this Policy, provided all such requests shall be required to be in writing.
- E. The CEO or Designee may, in his or her discretion, announce the availability of tickets or passes and invite written requests for such tickets or passes. The CEO or Designee may make such announcements to any individuals or group of individuals he or she deems appropriate given the public purpose(s) to be accomplished by such distribution.
- F. The CEO or Designee shall evaluate any written requests and distribute tickets or passes in his or her discretion provided such evaluation and distribution is consistent with this Policy.
1. The CEO or Designee may distribute tickets or passes at the behest of a member of the District's Board of Directors if such behest is for one or more of the public purposes stated in this Policy. No other District official may behest tickets or passes.

2. The CEO or Designee may distribute tickets or passes for personal use by an Official's immediate family, or no more than one guest, if such distribution is for one or more of the public purposes stated in this Policy. Officials receiving such tickets shall return any unused tickets to the District, preferably in time for reallocation by the CEO.
 3. The CEO or Designee may also distribute tickets or passes to individuals, entities or organizations who are not Officials if such distribution is consistent with one or more of the public purposes stated in this Policy.
 4. The CEO or Designee shall not distribute any tickets or passes to a physician unless such distribution is approved by the Compliance Officer of the District.
- G. In the event there are tickets or passes that have not been distributed in response to written requests, the CEO or Designee may donate such tickets to a nonprofit, tax-exempt or governmental organization provided such donation accomplishes one or more of the public purposes stated in this Policy.
- H. An Official who receives a ticket or pass pursuant to this Policy shall not transfer or distribute such ticket or pass to any other person, except to members of the official's immediate family, or no more than one guest, solely for their personal use.
- I. A Board member, department head, or CEO shall be prohibited from the disproportionate use of tickets or passes.
- J. In all circumstances, the CEO may decline to distribute tickets or passes if he or she determines such distribution would not be consistent with one of the public purposes stated herein.

IV. DISCLOSURE REQUIREMENTS

- A. The CEO or his or her designee shall report the distribution of a ticket or pass on FPPC Form 802 within 45 days of distribution. The report shall include all of the information required by 2 Cal. Code Regs. § 18944.1(f) and shall identify at least one of the applicable public purposes described in Section III(B) of this Policy. The District shall maintain completed forms as public records and will post and maintain copies in a prominent fashion on the District's website. The District will e-mail the FPPC a link to the District's website where the forms are displayed.
- B. The District shall maintain this Policy as a public record and will post and maintain a copy in a prominent fashion on the District's website within 30 days of adoption or amendment. The District will e-mail the FPPC a link to the District's website where this Policy is displayed. A written inspection report of findings and recommendations by the Official receiving a ticket or pass for the oversight or inspection of facilities shall also be maintained.

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