

**2340.2 SUBJECT: ADMINISTRATION OF TICKETS AND
ADMISSIONS GIVEN TO CITY EMPLOYEES AND
OFFICIALS**

:1 OBJECTIVE:

To establish a policy governing tickets and other event admissions given to City employees and officials and ensure that in such matters City employees and officials adhere to all applicable ethical standards. City Officials and employees are expected to be exemplary leaders in ethical service to the community and to do so in an open and transparent manner.

:2 AUTHORITY:

This procedure adopted by City Council May 9, 2011.

:3 DIRECTION:

Chief Financial Officer, as an appointed official, serves at the pleasure of and receives direction from the Mayor.

:4 FUNCTIONS:

A. Introduction

City government, as an institution, has multiple partners including citizens, taxpayers, businesses, visitors, employees, and other governments. As a major institutional, economic, and service force in the region, it is important that the City strengthen relationships with its partners by adopting a clear and comprehensive set of policies and procedures.

Furthermore the financial integrity of the City of Orlando is of utmost importance, and adopting a set of policies is a key element to maintain this integrity. The purpose of this policy is to provide direction for the appropriate accounting for tickets and admissions given to City employees and officials, and to ensure open and transparent compliance with ethics policies of the City and the State as well as adherence to the highest possible ethical standards.

B. Definitions

1. Employee – For operation of this policy, “Employee” shall mean any individual who provides services to, and receives compensation from, the City of Orlando, excluding those that provide those services as part of an independent business, but does not include an Official as defined in this policy.

2. Official – For operation of this policy, “Official” shall mean any elected official, appointed official, other city employee or any City Board member who is required by the state to file financial disclosure.
3. Ticket – For operation of this policy, “Ticket” shall mean any document or other item that entitles the holder to something such as admission to an event or participation in an activity, and such event or activity has a value.
4. Business Use – For operation of this policy, “business use” includes only expenses that are ordinary and necessary to the conduct of legitimate City governance activities, for example, the discussion of pending City projects, contracts or legislative initiatives.

C. Valuation

The Office of Business and Financial Services shall be responsible for determining the value of Tickets provided to Employees or Officials. This policy contains several guidelines that shall be used to determine that value.

In situations where the Ticket does not fit one of the categories contained in this policy, the Office of Business and Financial Services, after consultation with the City Attorney’s Office, shall determine the most appropriate method to compute the value of such Ticket.

1. Events held at City facilities shall be valued as follows:
 - a. Tickets for events held at City facilities that are issued with a printed face value shall be valued at that printed face value.
 - b. The Office of Business and Financial Services, after consultation with the City Attorney’s Office, shall determine the value of Tickets to events at held at City facilities when those Tickets are issued without a printed face value.
2. Tickets to charitable events received directly from the charitable organization shall be valued as follows:
 - a. Tickets with a printed value shall be valued at the value of the Ticket less any donation received directly by the charitable sponsor.
 - b. Tickets without a printed value shall be valued at the price the Tickets are otherwise sold, less any donation received directly by the charity.

- c. Tickets that are not publicly sold shall be valued at the total cost of the event divided by the total number of Tickets issued for the event.
 3. Tickets to charitable events received from a person or entity other than the charitable organization benefitting from that event shall be valued as follows:
 - a. Tickets with a printed value shall be valued at the value of the Ticket.
 - b. Tickets without a printed value shall be valued at the price the Tickets are otherwise sold.
 - c. Tickets that are not publicly sold shall be valued at the total cost of the event divided by the total number of Tickets issued for the event.
 4. Tickets to non-charitable events shall be valued at the face value of the Ticket.
 5. The value of Tickets to non-charitable events with no printed face value shall be determined by the Office of Business and Financial Services, after consultation with the City Attorney's Office, which shall follow guidelines established for the valuation of such Tickets.
 6. The value of any gift is reported at the value of the Ticket or gift less any amount that the recipient returns to the donor.

D. Reporting and Recordkeeping

All Tickets distributed by the City, its Employees or Officials as part of their job or office with the City must be reported to the Office of Business and Financial services along with an itemization of the Ticket distribution and any information needed to appropriately value the tickets. This requirement applies to all Tickets regardless of how they are received, including those which are donated to the City and those that are received as a result of a contractual agreement.

E. Income Tax and Gift Consequences of Ticket Receipt

Unless specifically exempted by this policy, any non-business use of Tickets given to Officials or Employees shall be treated as taxable income, even if the City receives the Tickets for "free" as part of a donation or contractual arrangement.

"Business use" must be documented and submitted to the Financial Reporting Division. Normally Tickets provided to the Official's or

Employee's spouse or other family member are not included within a "business purpose," unless the relative is serving a documentable business purpose under IRS rules.

The City may elect to provide income necessary to mitigate the tax consequences of such Tickets. However, the amount necessary to mitigate income tax consequences will be included in the computation of the actual value of that Ticket.

All Tickets, whether received from a City source or an outside donor, given to Officials or Employees, unless in conjunction with an Honorarium Event, are treated as "gifts" under state law and City policy. Any time the combined value of the tickets to a single event given to a reporting individual exceeds \$100, the value must be reported on the Official's state financial disclosure forms. Gifts in excess of \$100 cannot be accepted from a lobbyist or from business or person the Official or Employee is conducting City business with or about which they are making decisions. Gifts in excess of \$25 must be reported to the Chief Administrative Officer as required in City Policy and Procedure 800.5.

F. Receipt of Tickets in Conjunction with an "Honorarium Event"

If an Employee or Official has an official role in an event (normally evidenced by the inclusion of the Official's or Employee's name on the event agenda, or by a letter asking the person to perform some service at the event), the receipt of such Ticket will not be treated as a gift under either State law or City policy. Additionally, the value of such Ticket will not be considered taxable income.

The Official or Employee must maintain appropriate records to substantiate that the Ticket was offered and given with the condition of the participation in that event.

G. Receipt of Tickets for Recognition of Superior Service

At the discretion of the Mayor, an Employee may receive a Ticket in recognition of their superior service to the City. Such Ticket is not considered a "gift," but shall be reported as income to the Employee and the value of that Ticket will cover the income tax consequences of the award.

H. Attendance at Charitable Events using Tickets Purchased by or Donated to the City

Tickets to charitable events which the City has purchased or received from the charity sponsoring or benefitting from the event are not considered income to the Employee or Official if the Ticket is given for the expressed purpose of having that Employee or Official represent the

City at that event and the Employee or Official has received some written documentation of that representation.

Such tickets are, however, treated as a “gift” under state law and any time the combined value of the tickets to a single event given to a reporting individual exceeds \$100, the value must be reported on the Official’s financial disclosure forms.

Employees and Officials cannot accept gifts in excess of \$100 from a lobbyist. Employees and Officials cannot accept gifts in excess of \$100 from a business or person with which they are conducting business or possess decision making authority with regards to that business or person. These prohibitions include both direct and indirect gifts.

I. Tickets Donated to Charity

Tickets the City has purchased, received from the charity sponsoring or benefitting from the event, or are supplied through a contractual arrangement, may be donated to a charity. In accordance with Internal Revenue Service regulations, only the Mayor may donate Tickets to charity on behalf of the City and avoid personal income tax liability. When tickets otherwise available for use by a District Commissioner are instead donated to charity, that Commissioner’s signature will be included on the letter or acknowledgement effecting the donation.

Employees and Officials that receive Tickets and subsequently donate them to charity will incur an income tax liability for the value of those Tickets. Depending on the Employee’s or Official’s personal tax status, the value of those Tickets may be deductible on their income tax return.

J. Income Tax Reporting

The Office of Business and Financial Services, after consultation with the City Attorney’s Office, shall promulgate procedures for the reporting of Tickets, including the issuance of forms or the development of automated processes necessary to ensure a timely and comprehensive reporting process.

Employees or Officials that receive Tickets must provide that information to the Office of Business and Financial Services within established timeframes. If reporting deadlines are not met, the Office of Business and Financial Services may record the receipt of Tickets as taxable income to ensure compliance with Federal tax laws and Internal Revenue Service regulations.

K. Gift Reporting

Officials required to file financial disclosure statements are ultimately responsible for compliance with state and city gift rules. Nothing

contained in this policy shall modify or supersede rules pertaining to the receipt of gifts.

:5 **FORMS:**

None.

:6 **COMMITTEE RESPONSIBILITIES:**

None.

:7 **REFERENCE:**

Procedure adopted by City Council May 9, 2011, Item 7-1.

:8 **EFFECTIVE DATE:**

This procedure effective May 9, 2011.