



## INDEPENDENT SECTOR

### GIFTS AND ENTERTAINMENT POLICY

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#### I. Objective.

As a charitable organization dedicated to advancing the common good by leading, strengthening and mobilizing the charitable community, Independent Sector has a responsibility to be an effective steward of charitable assets. The objective of this Gifts and Entertainment Policy is to further Independent Sector's charitable mission by ensuring that (i) those who incur business gift or entertainment expenses on behalf of Independent Sector act responsibly; (ii) representatives of Independent Sector act responsibly in accepting gifts, honoraria or entertainment; and (iii) Independent Sector complies with all applicable laws and regulations governing gift and entertainment expenses and the receipt of gifts, honoraria and entertainment.

#### II. Persons Covered.

This policy covers any individual who incurs business gift or entertainment expenses on behalf of Independent Sector, regardless of whether the person is a director, officer, employee, volunteer, consultant, independent contractor or other party (collectively referred to as "IS Representatives"). It also covers IS Representatives who may be offered gifts, honoraria or entertainment in their capacity as such.

#### III. Approval of Expenditures for Business Gifts or Entertainment

##### A. Process.

###### 1.. Prior Approval.

All business gift or entertainment expenses must be approved in advance by the Chief Executive Officer or the Chief Executive Officer's designee, unless advance approval is impractical under the circumstances. It is the responsibility of the individual incurring the expense to obtain any necessary approval.

###### 2. Documentation.

Expenses will not be reimbursed unless the individual requesting reimbursement submits a written expense report in a form prescribed by Independent Sector. The expense report, which must include sufficient detail to identify the business purpose of the expense, the

items acquired or services provided and each recipient of the gift or entertainment, must be submitted within thirty days after incurring the expense. An itemized original receipt must be submitted for each expense. If an original receipt is not available, the individual may submit alternative written proof of the expense, such as a bill, canceled check or, if nothing else is reasonably available, a written statement detailing the expense and the reason no receipt is available.

B. Expense Report Approval.

Independent Sector will reimburse business gift or entertainment expenses only if the expense report is approved by the Chief Executive Officer or the Chief Executive Officer's designee, who is responsible for reviewing the expense report to ensure that only those expenses incurred in accordance with this Gifts and Entertainment Policy are reimbursed. It is the responsibility of the individual incurring the expense to submit the approved expense report to the Finance and Administration Department.

C. Use of Corporate Credit Card.

Independent Sector provides a limited number of individuals with a corporate credit card to facilitate reimbursement of business expenses. The corporate credit card may be used as detailed in the corporate cardholder agreement for approved business gift or entertainment expenses, not for personal expenses or cash withdrawals. The individual incurring the expense must document expenses paid for using the corporate credit card in the same manner as any other expense.

D. Expense Advances.

When it is not reasonably practical to use the corporate credit card, Independent Sector will advance an IS Representative the reasonably anticipated amount of gift or entertainment expenses, provided that the IS Representative submits an advance request approved by the Chief Executive Officer or the Chief Executive Officer's designee at least fourteen days prior to the date the gift is to be given or the entertainment function is to take place. In addition, the IS Representative must submit an expense report for advanced gift or entertainment expenses in the same manner as for expenses for which reimbursement is requested. If the amount of a gift or entertainment expense advance exceeds the amount of expenses approved for reimbursement, the IS Representative must reimburse Independent Sector in an amount equal to such excess at the time the expense report is submitted.

#### **IV. Types of Gift and Entertainment Expenses Which May Be Reimbursed.**

##### **A. Entertainment.**

For purposes of this Gifts and Entertainment Policy, “entertainment” includes the arrangement of activities, events, meals, refreshments or similar items for individuals or entities that have a business relationship or potential business relationship with Independent Sector (collectively referred to as “IS Guests”). This Policy does not cover expenses for business meetings hosted by Independent Sector or events for IS Representatives, such as employee morale-building events.

Pursuant to the United States Internal Revenue Code (the “Code”), entertainment expenses are not treated as income to the individual receiving reimbursement only if the expenses are “ordinary” (common and accepted in your field of business), “necessary” (helpful and appropriate to your business) and not “lavish or extravagant” (reasonable under the circumstances), and are directly related to or associated with the conduct of business. Independent Sector will reimburse for the actual cost of entertainment expenses only to the extent such expenses meet the requirements under the Code, are incurred under circumstances conducive to a business discussion, and are consistent with Independent Sector’s values.

Participants at entertainment functions shall not include an IS Representative’s spouse, partner, child or any other companion, unless the companion is also conducting business on behalf of Independent Sector and the companion’s participation is approved in advance by the Chief Executive Officer or the Chief Executive Officer’s designee.

Entertainment expenses incurred while traveling must follow the same guidelines as non-travel-related entertainment expenses.

##### **B. Gifts.**

In limited circumstances, it may be appropriate to provide business gifts in recognition of such occasions as outstanding achievements, to offer thanks, as get well wishes, or to acknowledge bereavement. Independent Sector will reimburse for the actual cost of business gift expenses to the extent such expenses are reasonable and appropriate for the situation and are consistent with Independent Sector’s values.

Any business gift shall always be presented on behalf of Independent Sector, not an individual.

#### **V. Acceptance of Honoraria, Gifts or Entertainment.**

An IS Representative may accept on behalf of Independent Sector an honorarium or gift from any party where the circumstances of the honorarium or gift are related to the recipient’s official duties, provided that any payment is made directly to Independent Sector. An IS Representative may accept, in his or her individual capacity, a nominal gift that is clearly less than \$25 in value, even if the circumstances of the gift are related to the IS Representative’s official duties. Notwithstanding the foregoing, an IS Representative may

not accept an honorarium or gift, either on behalf of Independent Sector or in his or her individual capacity, if such acceptance would constitute or create the appearance of a conflict of interest. Nothing in this Policy shall prohibit an IS Representative from accepting a gift based on an obvious family or personal relationship when the circumstances make it clear that the motivating factor for the gift is the family or personal relationship and not an Independent Sector business relationship.

An IS Representative may not accept business meals or business entertainment offered by a vendor, prospective vendor or other third party, unless such meal or entertainment provides a means for facilitating Independent Sector business objectives and the value per person does not exceed \$75. Notwithstanding the foregoing, an IS Representative may not accept such a business meal or business entertainment if such acceptance would constitute or create the appearance of a conflict of interest.

*Adopted 12/7/2007*