

# **Tiger Athletic Foundation Priority Point Policy and Procedures**

## **I. Priority Point Policy\***

Each \$1,000 donated to a TAF Annual Membership Fund, TAF Annual Ticket Fund, approved LSU Coaches' Accounts, LSU Tradition Fund, and other nonprofit organizations approved by TAF\* earns one (1) point.

Each \$4,000 in philanthropic donations to the LSU Foundation or the LSU Alumni Association by individuals or corporate entities\*\* earns one (1) point.

Each \$1,000 donated to TAF Philanthropic Programs earns two (2) points.

TAF Collegiate Club Membership per year earns one (1) point.

LSU Varsity Letter Winners per sport earn five (5) points.

### **Bonus Priority Points**

For each year donating \$50 - \$99 to TAF\*\*\* earns one (1) Bonus point.

For each year donating \$100 or more to TAF\*\*\* earns three (3) Bonus points.

For each year donating \$5,000 - \$9,999 to TAF Philanthropic Programs\*\*\*\* earns seven (7) Bonus points.

For each year donating \$10,000 - \$24,999 to TAF Philanthropic Programs\*\*\*\*\* earns twelve (12) Bonus points.

For each year donating \$25,000 or more to TAF Philanthropic Programs\*\*\*\*\* earns seventeen (17) Bonus points.

\*The calculation, use and the award of priority points are governed by procedures that are subject to change without notice.

\*\* Applies only to donations actually received by the LSU Foundation or the LSU Alumni Association on or after May 18, 2006. Donations received by the LSU Foundation or the LSU Alumni Association from publicly traded business entities or their affiliated foundations prior to September 18, 2013, are not eligible for priority point consideration.

\*\*\* Applies only to donations actually received by TAF on or after January 1, 2002.

\*\*\*\* Applies only to donations actually received by TAF on or after February 20, 2003.

\*\*\*\*\* Applies only to donations actually received by TAF on or after January 1, 2008.

**- Revised April 8, 2014**

## **II. Procedures**

### **Certain Terms Defined**

“Affiliated Organizations” refers collectively to TAF, the LSU Foundation and the LSU Alumni Association.

“Bonus” points are priority points awarded to individuals based on annual gifts to TAF. For example, annual contributions of \$50 - \$99 to TAF Philanthropic Programs or Team TAF, permit the award of one Bonus point, annual contributions of \$100 or more to TAF Philanthropic Programs or Team TAF, permit the award of three Bonus points, annual donations to TAF philanthropic programs of \$5,000 - \$9,999 permit the award of seven to ten bonus points depending on the circumstances, annual donations to TAF philanthropic programs of \$10,000 - \$24,999 permit the award of twelve to fifteen bonus points depending on the circumstances and annual donations to TAF philanthropic programs of \$25,000 or more permit the award of seventeen to twenty bonus points depending on the circumstances. Bonus points are in addition to any other priority points awarded based on the type and amount of a donation.

"Children" means the natural children and adopted children of a donor living at the time of the donor's death. Children also refers to step-children who are the natural or adopted children of a donor's Surviving Spouse living at the time of a donor's death.

“Direct Descendants” of a deceased donor shall mean the Children, Grandchildren and Great Grandchildren of a donor living at the time of the donor's death.

“Donation” means an irrevocable gratuitous contribution, whether in cash, securities, or cash equivalents made to an Affiliated Organization or other funds or entities designated in the Priority Point Policy. For purposes of the priority point system the term Donation includes the principal amount of qualifying contributions regardless of whether all or any portion of such contributions are non-deductible under the Internal Revenue Code.

“Donation to TAF Annual Membership or TAF Annual Ticket Fund” shall mean an annual contribution made to TAF for the purpose of establishing or renewing a membership in TAF including contributions made to Team TAF, the TAF Collegiate Club, and TAF Annual Ticket Funds.

“Donation to TAF Philanthropic Programs” means either (1) a donation to approved TAF philanthropic programs, or (2) other donations made to TAF which do not involve either the right to purchase tickets to LSU athletic events or significant return benefits. Contributions to Team TAF, the TAF Collegiate Club and annual contributions paid by University Club members are not donations to TAF Philanthropic Programs.

“Endowed Scholarship,” means an endowment established with funds donated to TAF for the specific purpose of funding scholarships for either LSU student athletes or LSU students generally where in return for donations to the endowment, the donor is not given a right to purchase tickets to LSU Athletic Events. Endowed Scholarships are to be distinguished from “TAF Endowments.”

“Philanthropic donations to the LSU Foundation or the LSU Alumni Association” means either: (1) donations to approved philanthropic programs managed by such organizations and benefiting LSU; or, (2) other donations made to such organizations which do not involve the right to purchase tickets to LSU athletic events or significant return benefits.

“Surviving Spouse” refers to an individual legally married to a donor at the time of the donor’s death.

“TAF Endowment” shall mean endowed funds recognized by TAF and established to support LSU’s athletic programs where in return for establishing the endowment, the donor is given a right to purchase tickets to LSU Athletic Events. Not all endowments established to support LSU’s athletic programs constitute “TAF Endowments” for purposes of calculating priority points and questions concerning the treatment of particular endowments should be referred to TAF’s President and Chief Executive Officer. TAF Endowments are also to be distinguished from “Endowed Scholarships.” Benefits and amenities, including the right to purchase and transfer tickets, associated with certain “TAF Endowments” are controlled by policies and procedures of LSU as opposed to TAF, and questions concerning the treatment of a particular endowment should be referred to TAF’s President and Chief Executive Officer.

### **Purpose of the Priority Point System**

In order to allocate certain rights and administer certain programs in a fair and equitable manner, the University and its Affiliated Organizations must develop a system or systems governing the allocation of limited rights and benefits available to the public. The priority point system is an objective method endorsed by the University and its Affiliated Organizations to allocate rights to certain ticket and parking opportunities. The priority point system is administered in accordance with priority point policies and procedures approved by an advisory committee made up of TAF’s Executive Committee working in consultation with the University and its Affiliated Organizations. Priority points are not property, and individuals have no vested rights or rights of ownership with respect to priority points.

### **How Are Priority Points Calculated**

Generally speaking, priority points are calculated based on the principal amount of donations actually received. Points resulting from donations are calculated and applied as of the date that donations are received. Pledges, testamentary gifts and other promises of future gifts, with the possible exception of certain life insurance policies, are not considered in priority point calculations until funds are actually received. Unless otherwise indicated, priority points are calculated based on rules in effect at the time that donations are actually received. The calculation of priority points may vary based on the venue, ticket rights or other opportunities being allocated. Priority point calculations made in connection with available season tickets and season parking passes and the allocation of available away game and bowl tickets will be made as follows:

- Available Away Game and Post Season Tickets: All qualifying Donations, whether Philanthropic or otherwise, in addition to points derived from the TAF Collegiate Club Membership and LSU Varsity Letter Winner status will be utilized in the calculation.

- Available Season Tickets and Season Parking Passes: This calculation will exclude those donations which involve the right to purchase tickets to LSU athletic events.

### **To Whom Are Priority Points Credited?**

Unless otherwise directed in writing prior to or at the time when a donation is made, subject to the following exceptions, priority points are normally awarded to the individual or entity actually making a donation. In the case of donations made via check, credit card or similar instrument, the party making the donation is normally deemed to be the individual whose name appears on the check or credit card.

*Exception Number One:* In the case of donations made to a TAF Annual Membership, TAF Annual Ticket Fund, the Tradition Fund, payments made for Team TAF and Collegiate Club memberships and payments made to TAF pursuant to a pledge, priority points will be awarded to the individual(s) whose account or pledge is credited with the payment regardless of the name appearing on the check or credit card.

*Exception Number Two:* With respect to contracts relating to suite or stadium club use, priority points shall be credited first, in accordance with the terms contained in the written contract if different from the procedures described herein and, second, in accordance with the procedures described herein.

*Exception Number Three:* Contributions, including matching gifts, received by the LSU Foundation or the LSU Alumni Association from publicly traded business entities or their affiliated foundations prior to September 18, 2013, are not eligible for priority point credit.

### **May Priority Points be Sold, Pooled or Assigned?**

Priority points are not property, they are part of a system used by the University and TAF to determine the order in which donors may be offered certain rights and benefits; therefore, priority points may not be sold under any circumstances, and subject to the following exceptions, priority points may not be pooled or assigned in any way.

*Exception Number One:* In the case of a husband and wife while married, where spouses have established accounts in their personal capacities under different names, priority points resulting from donations made by either spouse may be pooled if the spouses combine their individual accounts into a single joint account. Where spouses combine their individual accounts into a single joint account, priority points for the joint account will be re-calculated as though all donations made by either spouse had been made to the joint account. In the case of a husband and wife who subsequently divorce, priority points resulting from donations made by the spouses, whether jointly or individually, may no longer be pooled.

*Exception Number Two:* In the case of a business entity that merges with one or more businesses with priority points and there is but a single new or “surviving” entity following the merger, accounts for the merging entities will be combined and priority points for the new or “surviving” entity will be re-calculated as though all donations made by a merged entity had been made solely on behalf of the new or “surviving” business entity.

*Exception Number Three:* Following the death of a donor, priority points accumulated by the deceased donor (in addition to any ticket rights or other amenities) may be transferred only to the deceased donor's Surviving Spouse or Direct Descendants. Absent written direction to the contrary received by the appropriate Affiliated Organization prior to a donor's death, following the death of a donor, accumulated priority points, tickets and other amenities shall be transferred in the following manner. The deceased donor's priority points (in addition to any ticket rights or other amenities) shall be transferred to the deceased donor's Surviving Spouse. In the event that the deceased leaves no Surviving Spouse or the deceased donor's Surviving Spouse does not accept, the priority points (in addition to any ticket rights or other amenities) shall be divided equally among the deceased donor's Children who wish to accept the available benefits. In the event that an individual either leaves no Surviving Spouse or Children, or the deceased donor's Surviving Spouse or Children do not accept, the priority points (in addition to any ticket rights or other amenities) shall be equally divided among the deceased donor's other Direct Descendants who wish to accept the available benefits. Rights of Surviving Spouses, Children and other Direct Descendants shall be subject to the requirement that Surviving Spouses, Children or other Direct Descendants receiving priority points or other rights or amenities pay all required donations, costs, fees and surcharges.

*Exception Number Four:* It is recognized that in cases involving hardship where, for example, a donor makes a permanent move to a distant area or is no longer physically able to attend athletic events, a donor may wish to transfer his account to his Spouse, Children or other Direct Descendants. Under such circumstances transfers of a member's account to the member's Spouse, Children or other Direct Descendants may be allowed subject to the following conditions and written approval by LSU and the priority point advisory committee: (a) hardship transfers should typically involve a member's entire account (all tickets, all priority points and all other amenities), however, for good cause shown a sport specific transfer of tickets may be granted; (b) hardship transfers may not be utilized to circumvent limitations on the number of tickets and other amenities available to individuals (c) hardship transfers are irrevocable.

*Exception Number Five:* A donor may designate in writing the *individual(s)* who will receive priority points attributable to donations made by the donor following his death (such as testamentary gifts and gifts made via life insurance). Absent such a designation, priority points attributable to donations made by a donor following his death will be assigned to the deceased's Surviving Spouse, Children, or other Direct Descendants in accordance with Exception Number Three.

*Exception Number Six:* Prior to or at the time that a donation is made, a donor may request in writing that priority points resulting from a donation be credited to another party. This exception shall not apply to donations received by the LSU Foundation or the LSU Alumni Association from publicly traded business entities or their affiliated foundations prior to September 18, 2013.

*Exception Number Seven:* In the case of a business entity that is dissolved or otherwise ceases to do business, the following rules shall apply. If the business entity is a partnership, joint venture, limited liability company or similar entity, where the allocation of priority points is not controlled by the application of another rule, the business entity's priority points shall be allocated ratably among active members of Affiliated Organizations holding an interest in the entity. If the business entity is a business corporation, unincorporated association or similar entity, where the allocation of priority points is not controlled by the application of another rule, unless otherwise directed by the Executive Committee, the business entity's priority points shall

be allocated ratably among Officers and Directors who are active members of Affiliated Organizations. In determining how to allocate the priority points of a business corporation, unincorporated association or similar entity, the Priority Point Advisory Committee may consider whether particular individuals among the Officers and Directors have been instrumental in the entity's support of Affiliated Organizations.

**Are All Donations – Regardless of When Made – Considered in Calculating Priority Points?**

No. The priority point policy contains date restrictions covering certain types of donations, and restrictions governing donations made to certain parties.

**How Are Priority Points Allocated Following Divorce?**

Where a husband and wife divorce and both spouses are listed as joint account holders according to records maintained by the University and/or its Affiliated Organizations, priority points will be allocated to the spouse actually making each donation according to records maintained by the University and/or its Affiliated Organizations. In the case of joint donations where both spouses are listed as joint account holders according to records maintained by the University and/or its Affiliated Organizations, priority points will be equally divided between the spouses. Where a husband and wife divorce and according to records maintained by the University and/or its Affiliated Organizations, only one spouse is an account holder, priority points resulting from all donations, whether made jointly or separately, will be credited to the spouse who is the account holder of record. For purposes of this rule, joint donations are donations made in cash during the term of a marriage or donations made by one or both spouses via a check or other instrument that lists the names of both spouses.

**Treatment Of In-Kind Donations**

In-Kind donations are not eligible for priority point credit.

**Treatment Of TAF Endowments And Endowed Scholarships**

“TAF Endowments” carry with them the right to purchase tickets and shall not be treated as donations to TAF Philanthropic Programs. The calculation of priority points associated with TAF Endowments shall be based on the principal amount of the TAF Endowment. Donors shall not receive priority points based on earnings derived from TAF Endowments following full funding of the endowment.

“Endowed Scholarships,” do not create eligibility to purchase tickets to LSU athletic events whether on a season basis, single game basis or otherwise. Endowed Scholarships, whether athletic or academic in nature, shall be treated as donations to TAF Philanthropic programs. The calculation of priority points associated with Endowed Scholarships shall be based on the principal amount of the Endowed Scholarship. Donors shall not receive priority points based on earnings derived from Endowed Scholarships following full funding of the endowment.

For purposes of this section, “full funding” of an endowment shall mean satisfaction of the minimum amount, if any, required to establish the endowment at issue.

### **Decisions Of Advisory Committee Are Final**

Decisions by the Priority Point Advisory Committee with respect to the interpretation of priority point policies and procedures including the calculation and award of priority points, use of the priority point system and entitlement to rights and benefits associated with priority points shall be final. Where errors in the calculation and/or award of priority points are detected, such errors will be promptly corrected when brought to the attention of the University or its Affiliated Organizations; however, such corrections shall have prospective effect only. Under no circumstances will the award of rights or benefits associated with priority points be interdicted, reversed or modified based on errors in the calculation and/or award of priority points, or the use or non-use of the priority point system in a particular situation. Under no circumstances can the University, its Affiliated Organizations, their officers, directors, employees or consultants be held liable for any loss or damage resulting from errors, whether intentional or negligent, including miscalculation, the failure to correct errors, or the award or failure to award rights or benefits in accordance with the priority point system.

### **Priority Point Policy And Procedures Are Subject To Change Without Notice**

Priority point policy and procedures are subject to change without notice. Unless otherwise directed, changes in the priority point system shall be effective on approval of the Priority Point Advisory Committee, regardless of actual or constructive notice to affected donors.

### **Best Interests Of The University And Affiliated Organizations**

Use of the priority point system may be suspended, waived or modified by the Priority Point Advisory Committee where the Committee determines that use of the priority point system is impractical or that suspension, waiver or modification is in the best interests of the University and/or its Affiliated Organizations.

### **Loss Of TAF Membership/NCAA Violations**

In the event that an individual's membership in TAF is withdrawn, suspended, denied or non-renewed by action of TAF, such loss or suspension of membership may, at TAF's option, involve the loss or reduction of priority points. In the event that loss, suspension denial or non-renewal of membership in TAF involves the loss or reduction of priority points, the individual at issue shall be advised in writing by TAF's President and CEO; provided however, that the loss or reduction of priority points in such cases shall be effective as of the loss, suspension denial or non-renewal of membership irrespective of whether such notice is actually sent or received.

Sanctions imposed by the NCAA, SEC or LSU against donors based on violations of NCAA, SEC or LSU rules or regulations will be honored by Affiliated Organizations. Any donor committing violations of NCAA, SEC or LSU rules or regulations is subject to further sanction that may be imposed by the Priority Point Advisory Committee. Further sanctions may include, but shall not be limited to, the loss, suspension, denial or non-renewal of membership in an Affiliated Organization as well as the loss or reduction of priority points. Donors who are disassociated from LSU Athletics as a result of action by the NCAA, SEC or LSU are not eligible to receive priority points during the period of their disassociation.

## **Information Provided By University Or Affiliated Organization Staff**

From time-to-time donors will be furnished with written statements indicating donations, priority points and their priority point rank. Donors interested in obtaining additional information concerning their priority points and rank may contact an Affiliated Organization via telephone, e-mail or facsimile. Information provided in response to such inquiries will be limited to donations received and priority points credited to the donor's account, the donor's current rank and, if requested, information then available concerning the number of priority points and change in rank resulting from a cash donation made in a specific amount. Staff members are prohibited from providing donors with information concerning priority points accumulated by or the rank of other donors.

Information provided via either written statement or by staff in response to inquiries via telephone, e-mail or facsimile is provided as a convenience to donors. No warranty is given with respect to the accuracy of any such information, and neither the University nor its Affiliated Organizations assume any responsibility for providing donors with updated information. The priority point system is administered in accordance with written policies and procedures that may be modified only via official action taken by the Priority Point Advisory Committee.

## **Treatment Of Sponsorships**

Generally speaking, qualified sponsorship payments as defined in Section 512 of the Internal Revenue Code are not considered "donations" for priority point purposes. However, qualified sponsorship payments received by TAF in connection with specific events such as the LSU Tiger Tour, TAF golf tournaments, fund-raising events involving LSU's Olympic sports and similar events associated with athletics may, with written approval of the Priority Point Advisory Committee or its designee, be considered "donations" for priority point purposes.

## **Treatment of Life Insurance Policies**

As a general matter, gifts of life insurance policies are treated like pledges, testamentary gifts or other promises of future gifts and are not considered in priority point calculations until funds are actually received; however, effective January 1, 2011, certain "whole life" policies of insurance providing a death benefit of \$50,000 or more which are donated to TAF Philanthropic Programs and meet certain criteria, may be eligible for limited priority point credit at the time of donation. Priority point credit in connection with gifts of life insurance is subject to approval by TAF's Finance Committee in accordance with TAF's Gift Acceptance Policy. Minimum criteria that must be met for consideration include the following: the ratings and financial outlook for the company issuing the policy must be acceptable to TAF's Finance Committee; as of the date of donation, the policy must have a current cash surrender value, a death benefit of \$50,000 or more and the policy must provide permanent coverage for the remainder of the donor's life; the premium for the policy must be fully paid for the life of the policy; the policy must not be subject to any outstanding loans, pledges or other encumbrances; Tiger Athletic Foundation must be named the sole beneficiary and, upon donation of the policy, TAF must be deemed the owner of the policy with sole authority to exercise all rights and privileges of the owner. Priority points resulting from the donation of qualifying life insurance policies to TAF Philanthropic Programs will be calculated as follows: upon receipt of the donation by TAF, the Donor will receive 2 priority point per \$1,000 of cash surrender value existing at the time the donation is made; and,



following the insured's death and TAF's receipt of the death benefit, the Donor's account will be adjusted so that total priority points resulting from the donation will equal 2 priority points per \$1,000 actually received by TAF.

### **Ticket Rights And Priority Points**

By making donations to TAF Philanthropic Programs or philanthropic donations to the LSU Foundation and the LSU Alumni Association donors do not acquire the right to purchase tickets to LSU athletic events whether on a season basis, single-game basis or otherwise.

New or additional season tickets or parking passes to LSU Athletic Events will be processed through waiting lists available at [www.lsusports.net](http://www.lsusports.net). Available season tickets and parking permits will be assigned in priority point order by the LSU Athletic Ticket Office and TAF. Renewal rights with respect to tickets and other amenities purchased through TAF are subject to the requirement that individuals remain members in good standing of TAF and applicable provisions of the LSU Ticket Policy. Renewal rights with respect to tickets and other amenities purchased through LSU are governed by applicable provisions of the LSU Ticket Policy.

For information concerning upgrades of season tickets and parking passes purchased through LSU, please contact the LSU Athletic Ticket Office at (800) 960-8587. For information concerning upgrades of season tickets or parking passes purchased through TAF, please contact Jamie Graham at [jgraham@lsu.edu](mailto:jgraham@lsu.edu).

LSU season ticketholders may be eligible to purchase away game and post-season tickets, if available. Availability of away game and post-season tickets is not guaranteed. In situations where demand for away game and post season tickets exceeds the available supply, the priority point system may be utilized to determine the allocation of available tickets among season ticket holders and others interested in purchasing tickets.

*- Revised April 8, 2014*