

# AMERICAN HORSE TRIALS FOUNDATION, INC.

## EVENT GRANT GUIDELINES

The American Horse Trials Foundation, Inc. was established for the purpose of fostering national and international amateur horse trials competition by supporting and developing amateur athletes for national and international competition. One of the ways the AHTF achieves that purpose is by awarding grants to Events. Grants awarded for events may be used for the purpose of designing courses, building courses, offsetting event costs, and other, similar, purposes. Event grants shall be awarded without regard to race, sex, age, religion or national origin for USEA recognized events at all levels of competition who make appropriate application and who satisfy the criteria set forth below.

### I. ELIGIBILITY CRITERIA

Organizations wishing to establish grant eligibility shall ensure and certify to the AHTF that the requested funds will benefit amateur athletes (within the meaning of the Internal Revenue Code and the Regulations of the International Olympic Committee). They shall also certify that their event is committed to developing the sport of Eventing at the national and international levels.

### II. APPLICATION PROCEDURE

A. The Event Organizer shall make Application for a Competition Grant by letter to the AHTF. The letter shall set forth the purposes for which the funds will be used and the safeguards that will be instituted to regulate disbursements of the funds.

B. The letter of application should provide a brief history of the Event, including divisions offered; and a description of the anticipated uses of granted funds (e.g. course improvement, prizes, etc.).

C. The letter of application shall also explain how the event will foster national or international amateur athletic competition, and must be accompanied by a copy of the sanctioning document for the event from the United States Eventing Association.

D. Eligibility will be established for a period no longer than five (5) years. Events may reapply for grant eligibility for an additional five years and, if granted, unused funds will be transferred from the old grant to the new.

The AHTF does not have the resources to serve an unlimited number of Events and, therefore, may need to limit the total number of events eligible for our grants. Accordingly, the AHTF Eligibility Committee will select among applicants on the

grounds of national prominence, the need for events in the USEA region in which the event is located, and other relevant criteria.

### III. ADMINISTRATION OF DONATIONS

Generally, donations will be accepted by the AHTF as they are received. Acknowledgments will be sent to all donors who make contributions in excess of Fifty Dollars. A percentage of each donation (currently 5.5%) is deducted from each donation and allocated to the General Fund of the Foundation to offset operating expenses of the Foundation. The balance is placed in an unallocated restricted account from which AHTF Grants are made.

Due to Internal Revenue Service restrictions, certain limitations are made as to who can make donations. For example, the AHTF cannot accept a donation "earmarked" for the benefit of a particular individual or event. That is, donations must be made without qualification to the AHTF. The selection of grant recipients of funds donated to the AHTF will be made solely by the AHTF Grants Committee and Board of Trustees.

To insure the continued status of the AHTF as a public foundation and preservation of the tax advantages essential to the effectiveness of the AHTF, it may be necessary at times to restrict the acceptance of large donations (either individual or aggregated). If at some point during the calendar year the Executive Director determines that AHTF is in danger of being classified as a "private foundation" for IRS purposes, he may invoke the "Restrictive Acceptance Procedures" described below.

**Restrictive Acceptance Procedures:** When the Executive Director (with notification of the Board of Trustees) determines that there is danger of losing public foundation status, "disqualifying donations", i.e., donations from related parties or donations in excess of the threshold disqualifying amount (\$5,000 or 2% of total income, whichever is greater) will not be accepted. Rather, all such donations will be held by AHTF, to be accepted and credited only when the Executive Director determines that a sufficient amount of qualifying contributions has been received by the AHTF.

In addition to notification that these Restrictive Acceptance Procedures are in effect, the Executive Director will notify all donors that their donation has been received but has not yet been accepted.

If the AHTF is not in a position to accept disqualified donations, checks constituting disqualified donations may be held until the AHTF is in a position to accept them. When more than one gift is being held, priority for acceptance will be given to new donors.

#### **IV. GRANT APPLICATION**

Eligible Events may apply at any time for a grant to offset their expenses. A grant application shall set forth at a minimum: a) the event for which the grant is requested; b) the applicant's estimated budget for the event, c) the financial and competitive need for the requested grant; and d) a specific grant request.

#### **V. GRANT PROCEDURE**

Grants will be made from the unallocated restricted account of the AHTF. The Grant Committee meets as needed to consider applications. The grant criteria are the likelihood of success of the Event, the financial need of the Event and the other sources of funding available to the Event.

When a grant is made it shall be in the form of funds available to an Event for expenses for a finite period. For so long as the Event remains in good standing these funds will be available to the Event for eligible expenses. Should the Event no longer be eligible and in good standing with the AHTF for any reason, then any unused grant funds shall be returned to the unallocated restricted account of the AHTF.

#### **VI. DISBURSEMENT OF FUNDS**

Event Grants are made on the basis of anticipated revenues not funds on hand. Only when funds are received they will be placed in a restricted account for the event. Notwithstanding the amount of the basic grant, funds can be advanced to Events only to the extent they are available.

1. The Event must submit a Grant Disbursement Request form before funds are disbursed.
2. Expenses for which Grant funds can be used include the following:
  - a. Course design
  - b. Building materials
  - c. Fundraising
  - d. Administrative costs
  - e. Prizes

#### **VII. OBLIGATIONS OF GRANT RECIPIENTS**

Each Event that has received a grant from the AHTF shall adhere to the following:

1. The Event shall maintain USEA sanction. The Event shall immediately notify the AHTF in writing if it no longer is sanctioned.

2. Each Event that has received a grant from the AHTF shall submit an Activity Report form for the year in which such grant was received, no later than January 30, of the following year.

3. Eligible Events may be requested to participate in the fundraising activities of the AHTF. This participation may include public appearances, endorsements for the AHTF by the Event, providing mailing lists, and related fundraising activities.

## **VIII. TERMINATION FOR CAUSE**

The Board of Trustees, in the exercise of its fiduciary responsibility over the operations of the AHTF, shall at all times have the absolute power to terminate an Event's Eligibility or rescind a grant in the event that it determines that a Event has violated the terms of these Guidelines, the Internal Revenue Service Code of 1986, eligibility criteria of the International or United States Olympic Committees, or any other applicable statute or law. In the event that such violation is suspected, the following procedure shall apply:

1. The Executive Director shall notify the Event in writing of the nature of the charges against it and that the eligibility may be terminated. The letter shall request a written response to the charges within ten (10) days of the receipt of the letter.

2. Not sooner than ten (10) days after the notification of the charges by the Event, the Board of Trustees shall consider the charges and any response of the Event, which may excuse, justify or mitigate those charges.

3. After considering the charges and the responses thereto, the Board shall vote by secret ballot whether or not to terminate the eligibility. A majority affirmative vote of the Trustees voting shall be required to terminate an Event's eligibility.

4. An Event whose eligibility has been terminated for cause may reapply to reestablish grant eligibility only after a waiting period of one year following the date of termination.

## **IX. EFFECT OF TERMINATION**

When an Event loses eligibility, whether for cause or by completion of an Event's goal, any unused grant funds shall be returned to the unallocated restricted account of the AHTF. An Event whose goal has been attained but anticipates a subsequent campaign may, upon appropriate showing, continue grant eligibility.