

ENGLISH 101

By Jeff English, CFEE

It's Not Just about Corn Dogs and Concerts.....You've Gotta Show 'em You Care!

Let's take a break from the usual legalese that regular readers of my column subject themselves to four times a year. Instead of explaining the details of contracts, waivers, or drone policy, I'm going to focus on a different part of my work at the Kentucky Derby Festival.

Along with managing the legal and risk management concerns of the organization, I also serve as the Staff Administrator of the Kentucky Derby Festival Foundation, the 501(c)3 charitable arm of KDF. When folks ask what the heck the KDF Foundation does, my "elevator answer" is that it makes grants and provides educational programming on KDF's schedule of events. The true answer, as with most things, goes much deeper than that and I'll try to explain those details in the next 700 words!

KDF needed a way for people to make contributions to the Festival's endeavors and write it off their taxes. As a 501(c)4, KDF doesn't have to pay taxes, but contributions are NOT deductible. The gold standard in the non-profit world is the revered 501(c)3 classification because all contributions can be deducted. In 1998, KDF established the KDF Foundation to, "Enhance and advance the Kentucky Derby Festival mission through philanthropic support of cultural, educational and charitable activities, primarily but not exclusively associated with the Kentucky Derby Festival." A separate Board of Directors of twenty-five meets quarterly and serves as the fiduciaries of the organization.

So what does the Foundation specifically do to further the mission above? First, the Foundation supports the educational programming on the Festival's schedule of events. Through events such as the Student Art Contest, Academic Challenge (quick recall), and the Spelling Bee, the educational outreach of the Festival stretches to every corner of Kentucky and provides students with different interests a chance to compete! The Foundation also makes grants to deserving local charities. A committee of Foundation Board Members reviews grant applications and makes recommendations to the full Board. Most recently, grants have been made to the Leukemia and Lym-

phoma Society, Dare to Care Food Bank, and the IFEA Foundation!

The Foundation's largest charitable outreach is through the Marathon/mini-Marathon Charity Module Program. In 2015, 32 charities raised an astounding \$301,526! They did this by recruiting runners to participate in the race; and those runners, in turn, asking their friends and family to donate to the charities in support of their running the race. The Foundation provides a complimentary on-line fundraising platform, a training program to teach folks how to go from the couch to 13.1 miles, fundraising materials that can be used in e-mail blasts, and motivational techniques that help push someone out the door on a cold and snowy 30 degree Saturday morning in January to log that all-important 8 mile training run! The PR and goodwill achieved through this program is fantastic and truly allows the Foundation to touch every type of charity in our community. Whether it's cancer research, education, disabled children, or drug addiction – the Charity Module Program provides support to charities dedicated to combating these issues.

In order to support all of this outreach, the Foundation needs to raise money. Now, this is the point where I need to get a little bit "real." While the work of the Foundation is very important and provides outstanding support to deserving causes; at the end of the day, it's not a charity dedicated to saving the lives of sick babies in incubators or battling breast cancer or Alzheimer's. The heart strings just are not pulled in the same way as they are with charities which have a life-saving mission. This means that raising money can sometimes be difficult. With a budget of approximately \$250,000, the funds are raised through a Festival VIP membership program called the Thorobreds, proceeds from the Fillies Derby Ball, a Pro-Am Golf Tournament, a

poker tournament at Horseshoe Casino, and a dinner at a local restaurant called Vincenzo's. Our donors are largely made up of very generous people who support the Festival and truly see the benefit of the work the Foundation does.

A business benefit of KDF establishing the Foundation is that it opens up contributions from corporate donors which are specifically earmarked for 501(c)3 charities. An example of this is Ford Motor Company. The Ford Motor Company Fund sponsors the Spelling Bee and the money donated to KDF is funds earmarked only for charitable and educational outreach. Those monies are the key to producing the event and being able to include over 60 counties throughout the Commonwealth in the competition.

The bottom line in all of this is that by creating the Foundation, KDF established a body specifically tasked with promoting the charitable outreach of the Festival. Through educational programming, grants, and the Charity Module, the Foundation raises the profile and goodwill of the Festival throughout the community. That goodwill only helps to further solidify the Festival's standing with the people who attend our events and the political leaders who support what we do.

Jeff English is the Sr. Vice President of Administration/General Counsel of the Kentucky Derby Festival. After graduating from Washburn University School of Law (Topeka, KS) in 2004, Jeff worked in politics and practiced law before joining the KDF staff. He is charged with overseeing all of Festival's legal issues and serving as its risk management officer. He also manages the Merchandise Department and the 501(c)3 not-for-profit Kentucky Derby Festival Foundation.