UWEC 42.A, Accepting and Acknowledging Sponsorships and Advertising

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Procedure #: UWEC 42.A

Intent

This procedure provides guidelines and principles for engaging in partnerships with external entities in a manner that aligns with UW-Eau Claire's values, mission, and values while ensuring transparency and ethical conduct. This procedure supports practice directive UWEC 42, Sponsorship and Advertising.

Scope

This procedure applies to all university administrative and academic units, and registered student organizations (RSOs).

University publications that are produced by others on behalf of a university unit are subject to these policies.

Definitions

**Acknowledgment:** The recognition of sponsorship support. A typical acknowledgment of sponsorship is the placement of a sponsor’s logo, and/or certain information about a sponsor, in the promotional material for the university event or activity being underwritten or supported by the sponsor. This might be on signage or a departmental website, or in the marketing or promotional information about an event. An acknowledgment on an institutional website may contain a link to the sponsor’s website. Acknowledgments are not advertising, which is governed by a separate policy. Further guidance on acceptable acknowledgments is provided below.

**Advertising:** Any advertisement, signage, label, logo, packaging, imprint, sales promotion activity or device, public relations material or events, merchandising, or other activity or communication that has the intent of promoting or marketing a non-university product, service, event, or organization. As defined by the Internal Revenue Service (IRS) for Unrelated Business Income Tax (UBIT) purposes, advertising includes messages that contain qualitative or comparative language, price information, an endorsement, or an inducement to purchase, sell or use the non-university advertiser’s products or services.

**Endorsement:** Any statements or depictions that can be reasonably construed to contain or imply a preference by the university, by any of its units or employees speaking or acting as representatives of the university, or by an RSO for one non-university interest over any other.
Gift-in-kind: A product or service donated, in lieu of a cash gift, to a school, college, department, or unit.

Gift of money: A cash donation or pledge made directly or through the University of Wisconsin-Eau Claire Foundation to the university, college, department, or unit.

Non-qualified sponsorship: A sponsorship where the financial or other support does not meet the IRS guidelines for “qualified sponsorship payments”. A sponsorship may fall into this category because the acknowledgment or the return benefit(s) go beyond what is permissible to be considered a qualified sponsorship.

Qualified sponsorship: A sponsorship where the financial or other support meets the IRS guidelines for “qualified sponsorship payments”. This means that the return benefit to the sponsor is an acknowledgment of the sponsorship that contains only such information as the sponsor’s location, telephone number, internet address, value-neutral descriptions of sponsor’s products or services and the sponsor’s logo, established slogan, brand or trade name (qualified acknowledgment). A qualified acknowledgment may not contain qualitative or comparative statements (e.g., Sponsor makes the best shoes), price information or indication of savings or value (e.g., Sponsor’s popcorn is the best price in town), call to action (e.g., Don’t miss Sponsor’s huge tent sale) or endorsements (e.g., the computer hardware preferred by UW-Eau Claire faculty and staff). Qualified sponsorship payments are exempt from unrelated business income tax (“UBIT”). It may be permissible to provide a sponsor with some nominal or minimal return benefits, in addition to an acknowledgment, and still be a qualified sponsorship, but because this is a complicated area, it cannot be assumed and additional review and approval are required. The university would prefer that most, if not all, sponsorships be qualified sponsorships, and exempt from UBIT, due to the significant accounting, record-keeping and reporting obligations required for activities that generate unrelated business income (UBI).

Return benefit: Any item or service provided to a sponsor in return for the sponsor’s support, or sponsorship, of a university activity, event or program. Examples may include but are not limited to, event tickets, food and beverages, t-shirts, mugs, or access to university services.

Sponsorship: The provision by a non-university entity of money, goods, or services to a school, college, department, unit, or RSO in support of one or more activities, events, or programs. In return, the sponsor may be provided an acknowledgment of the sponsorship, as defined below, event tickets or programs, food, beverages, or other tangible return benefits. Sponsorships, and sponsorship acknowledgments, are not advertising, which is governed by a separate policy, and may not include an endorsement, as defined below. Sponsorships may fall into one of two categories, also defined below.

University publications: Publications, including electronic publications, published by or on behalf of a university department, college, program, or unit.

Procedures

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Key Provisions

Any unit or RSO exploring sponsorship and advertising opportunities should contact the Office of the Vice Chancellor (finadmin@uwec.edu) to be connected with the Sponsorship and Advertising Workgroup. Effective communication is crucial for aligning goals, maximizing collaboration, and attracting partnerships that can enhance UW-Eau Claire's resources and reach.

- It is generally permissible for the university, schools, colleges, departments, units and RSOs to accept external support, or sponsorship, for events, programs, publications or other activities.
- Acknowledgment of sponsorship is not the same as paid advertising. UW-Eau Claire strongly recommends pursuing qualified sponsorships rather than advertising.
- Sponsorship support from tobacco companies is not permitted; sponsorship by alcohol companies or organizations associated with gaming is subject to additional review by the vice chancellor for finance and administration (finadmin@uwec.edu).
- Depending on the unit or event, it may be advisable and is permissible to decline support or sponsorship from a particular company or organization.
- The support, or sponsorship, may be in the form of a gift of money or a gift-in-kind of goods and/or services.
- The procedures and the type of documentation and/or approvals required may vary based on the nature of the acknowledgment and/or any return benefits, the business of the sponsor (e.g., an alcohol company or distributor) and certain aspects of the arrangement (e.g., sponsor's request to use university trademarks or for an “official” designation).
- Sponsorship is further divided into: (1) qualified sponsorship that meets the IRS guidelines for “qualified sponsorship payments” and, as a result, is not subject to Unrelated Business Income Tax (“UBIT”). (2) Non-qualified sponsorship that does not meet those IRS guidelines. An acknowledgment of sponsorship may not include an endorsement by the university, department, unit or RSO.
- These policies apply to web-based sponsorships and acknowledgments. Links to sponsor websites should be to the sponsor’s home web page. University and unit-specific policies regarding appropriate use of information technology resources may also apply to web sponsorships and acknowledgments.
- Special guidelines apply when a department or unit uses campus facilities as part of a sponsorship. Campus facilities must be scheduled through the Event Services unit of
University Centers.

- Special guidelines apply when a department or unit uses a sponsor’s name and/or logo together with a university or RSO name and/or logo in an acknowledgment or in the marketing or promotional materials for the sponsored activity. Please contact Integrated Marketing and Communications at imc@uwec.edu.

- Sponsors may only use a university name, trademark, logo or mascot with permission from the UW-Eau Claire. For permissions, please contact Integrated Marketing and Communications at imc@uwec.edu.

- Special policies and procedures apply in any situation where a department or unit may want to grant an “official” designation (see Naming an “Official” Sponsor of a University Activity or Event).

**Sponsors**

**Acceptable Sponsorship**

Except for the restriction on sponsorship by tobacco companies, and the special reviews required for sponsorship by alcohol companies or organizations associated with gaming, any corporation, other organization or individual that offers and does provide support or underwriting for university events or activities may be sponsors. It is also permissible to decline an offer of support or sponsorship. There may be other considerations that factor into a decision whether to accept or decline an offer of sponsorship.

When a school, college, department, unit or RSO (collectively, “university entity”) acknowledges a sponsor, invariably an association in the mind of the public is created between the sponsor and university entity being sponsored. Thus, when a university entity is considering entering into a sponsorship relationship, it should consider the compatibility between its mission and image and that of the sponsor. For example, sponsorship by an automobile company may be appropriate for the Engineering Expo, but less appropriate for the Department of Risk Management, Safety & Sustainability’s “Alternate Mode Week.” There is no obligation for a university entity to accept sponsorship support from non-university entities whose mission or image is deemed incompatible with the mission or image of the university entity or the sponsored program, event or activity.

**Unacceptable Sponsorship**

The university has the right to and will refuse sponsorship from unacceptable sources, or with an unacceptable message. For example, a sponsorship is unacceptable that:

1. Is in conflict with university policies;
2. Adversely affects the university’s reputation;
3. Appears to create an endorsement by the university of a particular company, product, political candidate or position regarding public policies;
4. Is considered to contain obscene, indecent or profane material;
5. Ridicules, exploits or demeans persons on the basis of their age, color, creed, physical or mental disability, physical appearance, national origin, citizenship, veteran status, marital
status, race, religion, sex, sexual orientation, gender or gender identity; or

6. Promotes tobacco products.

**Alcohol Companies or Distributors**

Sponsorship by alcohol companies or distributors should not be assumed to be permissible and must be submitted to vice chancellor for finance and administration (finadmin@uwec.edu) for review and approval prior to acceptance. When permitted, the content of any alcohol beverage sponsorship acknowledgment may not encourage underage drinking or the misuse of such beverages and must include specific warnings against abusive or unsafe use of alcohol and/or must conspicuously promote responsible use of alcohol. When approved, the sponsorship arrangement can be set up as indicated below, depending on whether it is a qualified sponsorship or a non-qualified sponsorship.

**Arranging Sponsorships**

**Qualified Sponsorship**

If a Sponsorship does not involve any return benefit other than a qualified acknowledgment and does not involve an alcohol company or distributor, a school, college, department or unit may enter into a sponsorship arrangement by providing the sponsor with a letter summarizing the nature and duration of the sponsorship and the specifics of the qualified acknowledgment, and which incorporates or attaches the standard sponsorship terms and conditions <<INSERT LINK>>. Once the sponsor countersigns the letter to confirm agreement with the aspects of the arrangement, and returns the letter to the school, college, department or unit, the sponsorship may be accepted and the qualified acknowledgment provided without further approvals. If, however, the sponsorship involves an alcohol company or distributor, see Alcohol Companies or Distributors above. If it consists of a Gift-in-Kind of products, see Gift-in-kind Process below.

If a sponsorship arrangement provides a sponsor with a return benefit in addition to a qualified acknowledgment, the terms of the arrangement need to be reviewed by the vice chancellor for finance and administration (finadmin@uwec.edu) before being accepted or the qualified acknowledgment provided. If it is determined that the return benefits can be disregarded for IRS purposes, then the unit may proceed without further approvals. If, however, it is determined that the return benefit is considered substantial for IRS purposes, then the unit needs to proceed under Non-qualified Sponsorship below.

**Non-qualified Sponsorship**

If a sponsorship arrangement does not meet the criteria to be considered a qualified sponsorship, the terms of the arrangement need to be reviewed with a UW-Eau Claire designee before being accepted or any acknowledgment provided. This is to determine whether there are UBIT or other implications related to the nature of either the acknowledgment or the return benefits. As part of that review, a determination will be made about the nature of any written agreement that will be required. If an alcohol company or distributor is involved or the sponsorship consists of a Gift-in-Kind, see Alcohol Companies or Distributors above or Gift-in-kind Process below. In some cases, it may be sufficient to provide the sponsor with a letter summarizing the nature and duration of the sponsorship and the specifics of any acknowledgment, incorporating or attaching the standard sponsorship terms and conditions <<INSERT LINK>>. In others, a more formal written agreement outlining the specifics of the arrangement and any special terms and conditions in addition to the
standard sponsorship terms and conditions will be required.

**Gift-in-kind process**

When a sponsorship arrangement with a college, department or unit includes a Gift-in-Kind of products (not services), the college, department or unit should prepare and submit a Gift-in-Kind contract form to University Accounting prior to or at the time the Gift-In-Kind is accepted. If the sponsorship involving the Gift-In-Kind is a qualified sponsorship, then the unit may proceed under *Qualified Sponsorship* above. If it is a non-qualified sponsorship, then the unit must proceed under *Non-qualified Sponsorship* above.

**Use of University Marks or “Official” Designations**

If a sponsorship arrangement contemplates either the use of university marks by the sponsor or an “official” sponsor designation, see the additional requirements in the *Sponsor Use of University Trademarks, Names, or Logos* and *Naming an “Official” Sponsor of a University Activity or Event* sections below.

**Student Organization Sponsorship**

The University does not prepare or sign sponsorship agreements for RSOs. RSOs should consult the contracting guidelines in the *Student Organization & Advisor Handbook* for guidance on entering into sponsorship agreements. While certain aspects of the university’s sponsorship policy only apply to university colleges, departments and units, the provisions of this policy relating to unacceptable sponsorship, prohibited endorsements, and use of university trademarks and images apply equally to RSOs.

**Use of Campus Facilities**

Campus units or RSOs seeking sponsorships for events held at campus facilities must reserve those facilities through the Event Services unit of University Centers or Recreation and Sports Operations. The unit or RSO is also required to execute a Sponsorship Addendum to Facility Use Agreement as part of the process for obtaining a facility use agreement from the Event Services unit.

**Restrictions on Acknowledgments**

**IRS Rules**

Sponsorship payments are exempt from Unrelated Business Income Tax (“UBIT”) when the only return benefit to the sponsor is a qualified acknowledgment which is defined within the definition of qualified sponsorship.

**University Policies and Practice Directives**

Acknowledgments must be secondary and subordinate to the name, marks, and other representations of the university college, department, unit, program, or event to which the sponsorship relates. For example, a banner promoting a departmental conference should prominently identify the conference and the department, with sponsor logos or other acknowledgment placed on the bottom of the banner in a smaller script. Institutional or unit-
specific policies may restrict locations on institutional web sites where acknowledgments may be placed.

Acknowledgment by RSOs

University Facility Use Guidelines apply to sponsorship of RSO activities that take place in university facilities or on university lands.

Sponsor Use of University Trademarks, Names, or Logos

In limited circumstances, a sponsor may be granted permission to use university trademarks, names, or logos but not without permission from the vice chancellor for finance and administration (finadmin@uwec.edu) for such use. Sponsorship of a university or RSO activity or event itself does not automatically give the sponsor the right to use any university trademarks, names, or logos. Any request by a sponsor to use university trademarks, names or logos should be directed to Integrated Marketing and Communications (imc@uwec.edu), who will process the request in accordance with applicable university policy and practice directives.

Naming an "Official" Sponsor of a University Activity or Event

General Rule

Because the use of the term “official” in connection with a sponsorship activity may constitute a prohibited endorsement, the university will permit use of the “official” designation only under certain conditions. “Official” sponsorships are different than a standard sponsorship.

Factual Descriptions of Certain Vendor/Sponsor Relationships

Use of the term “official” may be permitted and would not constitute a prohibited endorsement when:

1. The “official” designation is used in connection with an established vendor or sponsor of the university, or an entity under contract to manage a university activity such as the concessionaire for Athletic Department facilities;
2. The vendor’s or sponsor’s products or services are actually sold at a campus venue or used by the university in connection with an activity or event;
3. The “official” designation extends only to the campus unit or activity with which the business, product or service relates, and not to the university as a whole (e.g., “the Official Hot Dog of Simpson Field” would be permitted, but not “the Official Hot Dog of UW-Eau Claire”);
4. The rationale for permitting the “official” designation, and the method for determining the value of the designation, is clear from the documentation on file to support how the business, product or service was selected. In terms of selecting the vendor or sponsor, use of a
competitive solicitation process is preferred, although another process for selecting the vendor or sponsor, such as the “best judgment” purchasing standard, may also be acceptable; and

5. The vendor’s or sponsor’s promotional or marketing activities in connection with the “official” designation do not indicate an endorsement of or preference by the university for the vendor’s or sponsor’s business, product or service, and any acknowledgment by the university school, college, department or unit meets the requirements of this policy.

Example of a Permitted “Official” Designation

Department X solicits sponsors for its annual conference. Company Y offers to supply ballpoint pens with the conference logo printed on them, in exchange for an acknowledgment of sponsorship. Company Y offers to provide an additional $500 in cash to offset conference expenses if its pens can be designated as the “official” pen of the conference. The value of the pens is below the “best judgment” purchasing threshold. The department documents that it has contacted two other pen vendors and neither expressed interest in supplying the pens on similar terms as offered by Company Y. The brochures and a page on the department’s website promoting the conference contain an acknowledgment of sponsorship, which includes Company Y’s logo and a designation of Company Y’s pens as the “Official Pen of the Department X Conference.”

Naming an “Official” Campus Partner

In very limited circumstances, the vice chancellor for finance and administration, in consultation with the Chancellor, may confer “official” status on an external partner as part of a sponsorship arrangement with the university that is not restricted to specific events or activities.

Other Sponsor Benefits Besides Acknowledgments

A college, department or unit may provide benefits to a sponsor in addition to an acknowledgment. In those situations, review by the vice chancellor for finance and administration is required. There are two very specific considerations in this circumstance:

Purchasing Rules

When a sponsor provides a Gift-in-Kind of goods or services to the university that would ordinarily be obtained through the purchasing system, providing tangible return benefits to the sponsor has the potential to be seen as circumventing purchasing requirements. If the return benefits provided to a sponsor are valued at $5,000 or less, the transaction is exempt from purchasing requirements. If the return benefits to the sponsor are valued at more than $5,000, and the value of the return benefits provided to the sponsor is ten percent (10%) or less of the value of the goods or services provided by the sponsor, the transaction will still qualify as a sponsorship and not a purchase. If the return benefits to the sponsor are valued at more than $5,000 and exceed ten percent (10%) of the value of the goods or services provided by the sponsor, then the purchasing rules apply to the transaction.

Unrelated Business Income
As noted previously, sponsorship is not subject to UBIT if the only return benefit to a sponsor is an acknowledgment and certain insubstantial other return benefits. Providing tangible benefits to a sponsor has the potential to make the entire sponsorship payment subject to tax. The nature of the return benefits must be evaluated to determine if UBIT applies to the sponsorship. If the return benefits are sufficiently insubstantial (e.g., generally considered anything valued at less than two percent (2%) of the amount of the sponsorship payment), no portion of the sponsorship payment is subject to UBIT. Because this is a complicated area, with exceptions that apply in certain limited circumstances, schools, colleges, departments or units who contemplate providing return benefits to sponsors other than those listed above need to seek assistance from University Accounting to determine if any UBIT issues are present.

**Advertising**

In general, a non-university entity may advertise at or about university events, in university publications, or on university property when:

- Revenue or other benefits will be generated for a university department or program.
- The standards and criteria set forth in these and other relevant policies are complied with.
- Any other applicable state or university procurement regulations are followed.

**Advertising Contracts/Agreements**

All advertising, as defined herein, in/on university publications (including electronic publications) or in/on other university communications media, signage, property, material, or facilities will be under a written contract/agreement executed by a university official who has been delegated contracting authority from the Regents, before any acceptance and placement of the advertising.

**Unacceptable Types of Advertising**

The university has the right and will refuse advertising that it considers unacceptable. For example, advertising is unacceptable when it:

- Conflicts with university policies.
- Adversely affects the university's reputation.
- Appears to create an endorsement by the university of a particular company, product, political candidate, or position regarding public policies.
- Is considered to contain obscene, indecent, or profane material.
- Ridicules, exploits, or demeans persons on the basis of their age, color, creed, physical or mental disability, physical appearance, national origin, citizenship, veteran status, marital status, race, religion, sex, sexual orientation, gender, or gender identity.
- Fails to meet the standards of the university’s commitment to diversity, equity, and inclusion.
- Promotes tobacco products.
- Advertising by alcohol companies or distributors should not be assumed to be permissible and must be submitted to vice chancellor for university relations or designee for review and approval prior to acceptance. The university may permit advertising of alcoholic beverages in
university publications, or other university media, at university events, or on university property only when the primary audience of the associated program or activity is non-students. When permitted, the content of any alcoholic beverage advertisement must not appear to encourage the misuse of such beverages, must include specific warnings against abusive or unsafe use of alcohol, and/or must directly and conspicuously promote responsible use of alcohol.

**University Departments vs. Commercial Advertising Rates**

The university and its departments may determine rates for advertising as appropriate to cover any costs associated with such advertising and to generate revenue. The university and its departments may offer special advertising rates for advertising originating with on-campus advertisers.

**Use of Campus Mail System to Distribute Advertising Materials**

Distribution of non-university advertising materials through the campus mail or email system is prohibited. University publications that may contain advertising, as described above, are exempt from this prohibition and may be distributed through campus mail systems.

**Unrelated Business Income Tax (UBIT)**

Amounts received by university departments, colleges, programs, or other units for advertising may be unrelated business income to the university, subject to UBIT under the Internal Revenue Code. University Accounting must be contacted in order to review the arrangement contemplated and to ascertain whether there are any tax implications.

**Use of University Names, Logos, Symbols and Marks (Trademarks)**

Any advertising that includes the use of any university name, logo, symbol, or mark (trademark) must comply with the university's policies governing the use of university names, logos, symbols and marks (Trademarks).

**Resources**

- Practice Directive UWEC 42, *Sponsorship and Advertising*
- Practice Directive UWEC 860, *Outdoor Digital Signage*
- Procedure UWEC 860.A, *Outdoor Digital Signage Guidelines*
- Standard Sponsorship Terms and Conditions
- Student Organizations & Advisor Handbook
- UW-Eau Claire Event Services webpage
Procedure Administration

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Revision History

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