

## Eastern Washington University Foundation Recognizing Corporate Sponsorships -- March 2005

The EWU Foundation records and recognizes private, charitable gifts. Many corporate “sponsorships” are countable fully or in part, unless what the sponsor receives constitutes advertising.

Corporate sponsorships may be recorded on Millennium as a charitable contribution if:

- Made by a person or corporation engaged in a trade or business (and not in the form of services)
- Recognition is limited to
  - Name, logo, location, phone number, address, web address, web link
  - Value neutral description of products or services
  - Brand/trade name or product/service listings
- Is not contingent on event attendance, ratings or public exposure

Specific allowable activities

- Exclusive *sponsorship*
- Display or distribution of product by sponsor or us
- Advertising: includes qualitative or comparative descriptions, *but* ad space is sold and a “market price” less than the sponsorship can be demonstrated. *Example:* you can show you successfully sell half page ads for \$50 in your program. ONE of the benefits returned to the sponsor is a half page ad. The value of the ad is deducted, but the sponsorship itself is not disqualified.
- Payment contingent on event being held

Disqualifying activities:

- Exclusive *provider*: for (sale or use) of their product(s) at this or another of your events
- Table or space to display and sell products, time to speak to event attendees about their company and its products and services
- Advertising: ads or recognition promotes or markets their product/service/facility using qualitative or comparative language, prices, savings, value, endorsement or inducement to purchase, sell or use. *Example:* “best”, “finest”, “give them a call”, “stop by their store at...”, “lowest prices in town”, “endorsed by EWU”.
- Advertising: No “market price” for ads less than the sponsorship amount are sold. *Example:* “sponsors” receive ad space with no restriction on content. None are sold to others at a price less than the “sponsorship” amount. .
- Payment contingent by contract or otherwise on attendance, broadcast ratings or other levels of public exposure
- Sponsor has right to use our name, logo or endorsement in return
- Benefits without specific quantities or limits
- Language such as “Creative marketing opportunities...”, “Other promotional activities....” that leaves the benefits returned open to interpretation.

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Information to provide Gift Processing Office:

- Copy of signed sponsorship agreement(s) for sponsorships of \$1,000 or more
- Full description, quantity, and value (not cost) of all items of value given to the sponsor as a result of their contribution
- Other information may be needed and requested for our files such as:
  - Copies or locations (if on web) of other information published outlining sponsorship packages
  - Marketing or other plans that reference distribution of promotional materials also provided to sponsors
  - Copy of program(s) distributed at the event(s)

Also, certain sponsored activities (such as sale of goods) may result in unrelated business income tax (UBIT). This will be determined by the Foundation Finance Director and the cost borne by the event.

### **References:**

CASE Management and Reporting Standards, p 30-31

Federal Register Vol 67, No 80, April 25, 2002/Rules and Regulations