I. PURPOSE:

This Policy provides guidance to schools, colleges, departments, academic or administrative units and registered student organizations (RSOs) on the sponsorship of University or RSO events, programs, publications or other activities by non-university entities.

Sponsorship of school, college, department, unit or RSO activities, programs or events by non-university entities can, when conducted in an appropriate manner, be beneficial to the sponsored school, college, department, unit or RSO, as well as to the sponsoring entity, to the University community and to the state. However, it is also necessary to recognize that the University is a public institution and that its reputation and image must be protected, and that it must not serve to unduly advance the interests of one non-university entity or organization over another. Finally, University entities should be mindful of the significant value to non-university entities that results from the exposure and association with the University that a Sponsorship relationship provides.

The Office of the Vice Chancellor for University Relations has been given the authority to administer these policies at the University. Questions pertaining to the policy, and requests for approvals or deviations from the policy should be directed to that office or designee.

II. KEY PROVISIONS:

• 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. University Relations 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 University Relations or designee.
• 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 web sites 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 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 see UW-Madison’s Brand and Visual Guidelines found at www.uc.wisc.edu/brand or contact University Marketing at contact@umark.wisc.edu.

Special guidelines apply when a department or unit uses campus facilities as part of a sponsorship. Campus facilities must be scheduled through Central Reservations, and the appropriate paperwork completed. Please see www.union.wisc.edu/meetings.

Sponsors may only use a University name, trademark, logo or mascot with permission from the Vice Chancellor for University Relations or designee. For permissions, please contact University Marketing at contact@umark.wisc.edu.

Special policies and procedures apply in any situation where a department or unit may want to grant an “official” designation (see item “E.3”).

Contact the Vice Chancellor for University Relations or designee with questions about this policy.

III. DEFINITIONS:

**Sponsorship** means 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.
Acknowledgment is a term used to signify 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 web site, or in the marketing or promotional information about an event. An Acknowledgment on an institutional web site may contain a link to the sponsor’s web site. Acknowledgments are not Advertising, which is governed by a separate policy. Further guidance on acceptable Acknowledgments is provided below.

Return Benefit is 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.

Endorsement shall mean any statements or depictions which 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.

Qualified Sponsorship means 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 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 de minimus 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 is 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 UBI.

Non-Qualified Sponsorship means 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.
**Gift-in-Kind** is a product or service donated, in lieu of a cash gift, to a school, college, department or unit.

**Gift of Money** is a cash donation or pledge made directly or through the University of Wisconsin Foundation to a school, college, department or unit.

### IV. SPECIFIC POLICIES AND PROCEDURES:

#### A. Sponsors

1. **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 Transportation Department’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.

2. **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 deems persons on the basis of their age, color, creed, disability, national origin, race, religion, sex or sexual orientation; or (6) promotes tobacco products.

3. **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 University Relations or designee 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 at B. below, depending on whether it is a Qualified Sponsorship or a Non-qualified Sponsorship.

B. Arranging Sponsorships - How To Set Up A Sponsorship

1. Qualified Sponsorship.

   a. 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 (Attachment A to this Policy) 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 A.3., above. If it consists of a Gift-in-Kind of products, see B.3., below.

   b. 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 with the Vice Chancellor for University Relations or designee or the Director of Business Services 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 under 1.a., above, 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 2., below.

2. 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 the Vice Chancellor for University Relations or designee or the Director of Business Services 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 A.3., above or B.3., 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 (Attachment A to this Policy). 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.

3. Gift-in-Kind Process. When a Sponsorship arrangement with a school, college, department or unit includes a Gift-in-Kind of products (not services), the school, college department or unit should prepare and submit a Gift-in-Kind transmittal form to Gift Management in Accounting Services prior to or at the time the Gift-In-Kind is accepted. The Policies regarding acceptance of Gifts-in-Kind are found on the Accounting Services web site. If the Sponsorship involving the Gift-in-Kind is a Qualified Sponsorship, then the unit may proceed under 1., above. If it is a Non-qualified Sponsorship, then the unit must proceed under 2., above.

4. 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 at D. and E., below.

5. Student Organization Sponsorship. The University does not prepare or sign Sponsorship agreements for RSOs. RSOs should consult the contracting guidelines in the Student Organization Resource and Policy Guide for pointers on entering into Sponsorship agreements. While certain aspects of the University’s Sponsorship Policy only apply to University schools, 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.

6. Use of Campus Facilities. Campus units or RSOs seeking sponsorships for events held at campus facilities must reserve those facilities through the university’s Central Reservations Office. 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 Central Reservations Office.

C. Restrictions on Acknowledgments

1. 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.

2. University Policies. Acknowledgments must be secondary and subordinate to the name, marks and other representations of the University school, 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 websites where Acknowledgments may be placed. Additional detail regarding acceptable forms of Acknowledgment is contained in University Facility Use Guideline G-15 (http://www.union.wisc.edu/eventservices-ratespolicies.htm)

3. Acknowledgment by RSOs. University Facility Use Guidelines G-15 and G-16 (found here: http://www.union.wisc.edu/eventservices-ratespolicies.htm) apply to Sponsorship of RSO activities that take place in University facilities or on University lands.

D. 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 University Relations or designee 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 Trademark Licensing, which office will process the request in accordance with applicable University policy.

E. Naming an “Official” Sponsor of a University Activity or Event

1. 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.


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

i. 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;
ii. 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;

iii. 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 Camp Randall Stadium” would be permitted, but not “the Official Hot Dog of UW-Madison”);

iv. 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

v. 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.


Department X solicits sponsors for its annual conference. Company Y offers to supply ball point 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.”


In very limited circumstances, the Vice Chancellor for University Relations, 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.

5. Procedure.

The Vice Chancellor for University Relations has been given the authority to approve “official” designations and has procedures for the review and approval of
such requests. This includes the submission of an “Official” Designation Sponsorship Checklist (Attachment B to this Policy).

F. Other Sponsor Benefits besides Acknowledgments

A school, college, department or unit may provide benefits to a sponsor in addition to an Acknowledgment. In those situations, review by Administrative Legal Services or the Director of Business Services is required. There are two very specific considerations in this circumstance:

1. **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 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 $5000 and exceed 10% of the value of the goods or services provided by the sponsor, then the purchasing rules apply to the transaction.

2. **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 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 Administrative Legal Services or the Director of Business Services to determine if any UBIT issues are present.

V. **Sponsorship Policy Review**

The Vice Chancellor for University Relations will oversee a periodic review of this policy, or review on an as-needed basis when questions arise.
ATTACHMENT A
SPONSORSHIP POLICY

STANDARD SPONSORSHIP TERMS AND CONDITIONS

1. Subject to UW Policies. This Agreement, and any Acknowledgment of Sponsorship or marketing and promotional activities of Sponsor that relate the Sponsorship, is subject to all applicable University policies, including the "UW- Madison Sponsorship Policy."

2. No Rights to UW Trademarks. This Agreement does not provide Sponsor with any rights to use names, trademarks or logos of the University. Approval for use of University names, trademarks, and logos must be separately obtained from the University Office of Trademark Licensing, and approval may not be granted or may be conditioned upon a separate licensing agreement.

3. Liability. Sponsor agrees to protect, indemnify and hold harmless the University, its officers, employees, agents and students, from any and all liability, including claims, demands, losses, costs, damages and expenses of every kind and description or damages to persons or property arising out of or in connection with or occurring during the course of this agreement. In turn, University agrees to hold harmless Sponsor, its officers, employees, and agents from any and all liability, including claims, demands, losses, costs, damages and expenses of every kind and description or damages to persons or property arising out of the negligent act or omission of an employee, officer or agent of the University while acting within the scope of employment as provided by ss. 893.82 and 895.46(1), Wisconsin Statutes.

4. No Endorsement. This Agreement shall not be construed or represented as an endorsement by University of Sponsor or Sponsor's goods or services.

5. No Partnership or Joint Venture. This Agreement does not constitute and shall not be construed as constituting a partnership or joint venture between the parties, and the parties shall be treated as independent contractors in all respects.

6. No Assignment. This Agreement is specific to the parties, and may not be assigned or sublicensed by Sponsor without the prior written permission of University.

7. Controlling Law/Jurisdiction for Disputes. This Agreement shall be construed under the laws of the State of Wisconsin, and jurisdiction for any disputes under this Agreement shall be in Dane County, Wisconsin.

8. Sponsor agrees to notify University at the time of sponsorship payment if it intends to claim a charitable contribution deduction on account of a sponsorship payment, so the University can prepare the appropriate gift receipt.
ATTACHMENT B
“OFFICIAL” DESIGNATION
SPONSORSHIP CHECKLIST

NOTE: This form to be used only when naming an official sponsor
All other (standard) sponsorships use Attachment A

Department/Unit: _________________________________________________________

Responsible Administrator/Employee: ________________________________________

Sponsor/Vendor: ____________________________________________________________

Sponsor Contact Name/Address: ____________________________________________
_______________________________________________________________________

Term of Sponsorship: _______________________________________________________

Product/Promotional Item: __________________________________________________

Use by department/unit: ___________________________________________________

Venue: _________________________________________________________________

How sponsor solicited/selected: _____________________________________________
________________________________________________________________________

Cash Sponsorship: ____________ Gift-in-Kind: ________________________________

Amount/value (of cash and/or product): ______________________________________

Increment attributable to “official” designation (e.g., additional cash or product provided
in order to receive “official” designation): _________________________________

Incentives, if any, provided as part of “official” designation sponsorship package (e.g.,
tickets, admissions, parking): _____________________________________________
________________________________________________________________________

Value of incentives: ___________________ “Net” to department/unit: _______________
Acknowledgment expected to be provided to “official” sponsor:

________________________________________________________________________

Specialized institutional marks (if any) expected to be made available to sponsor as part of “official” designation:

________________________________________________________________________

Please attach artwork for any such marks that can be incorporated into an exhibit to the limited license.

[Note: the use of any specialized institutional marks must be the subject of a limited license from the University, attached as an addendum to the sponsorship agreement.]

How used:

________________________________________________________________________

Any request to use other institutional trademarks: _____ If, yes, what marks: ______

________________________________________________________________________

[Note: the use of any institutional trademarks must be pursuant to a separate limited license granted by the University through its Trademark Licensing Office.]

APPROVED:

_____________________________                         Date: ____________________

CHARLES B. HOSLET
Vice Chancellor
University Relations