



Proposed Policy Number and Title: <u>234 Qualified Sponsorships</u>		
Current Policy Number and Title: <u>234 Coordination of Sponsorship and Advertising</u>		
Approval Process*		
<input checked="" type="checkbox"/> Regular	<input type="checkbox"/> Temporary	<input type="checkbox"/> Compliance Change
<input type="checkbox"/> New <input checked="" type="checkbox"/> Revision <input type="checkbox"/> Revision—Limited Scope <input type="checkbox"/> Deletion	<input type="checkbox"/> New <input type="checkbox"/> Revision <input type="checkbox"/> Revision—Limited Scope	<input type="checkbox"/> New <input type="checkbox"/> Revision—Limited Scope <input type="checkbox"/> Deletion
*See UVU Policy 101 <i>Policy Governing Policies</i> for process details.		

Draft Number and Date: <u>Stage 2 Regular, February 11, 2025</u>
President’s Council Sponsor: <u>Kyle Reyes</u>
Policy Steward: <u>Melanie LaFranca</u>

POLICY APPROVAL PROCESS DATES		
REGULAR	TEMPORARY	COMPLIANCE
Drafting and Revision Entrance Date: <u>7/8/2021</u>	Drafting and Revision Entrance Date: <u>N/A</u>	President’s Council Approval Approval Date: <u>N/A</u>
University Entities Review Entrance Date: <u>2/13/2025</u> Close Feedback: <u>4/10/2025</u>	Board of Trustees Review Entrance Date: <u>N/A</u> Approval Date: <u>N/A</u>	Board of Trustees Ratification Ratification Date: <u>N/A</u>
Board of Trustees Review Entrance Date: _____ Approval Date: _____		



POLICY TITLE	Qualified Sponsorships	Policy Number	234
Section	Financial Affairs and Development	Approval Date	
Subsection	Development	Effective Date	
Responsible Office	Office of the Vice President of Institutional Advancement	Last Review	

1.0 PURPOSE

- 1 **1.1** This policy sets forth the procedures by which UVU entities and third parties may establish a
2 qualified sponsorship under U.S. tax law and by which the sponsor will receive a charitable
3 deduction.

2.0 REFERENCES

- 4 **2.1** Internal Revenue Code § 513(c), *Developments in Advertising Income*
5 **2.2** Internal Revenue Code § 513(i), *Qualified Sponsorship Payments*
6 **2.3** 26 CFR § 1.513-4, *Certain sponsorship not unrelated trade or business*
7 **2.4** UVU Policy 137 *Sponsored Programs*
8 **2.5** UVU Policy 172 *Advertising*
9 **2.6** UVU Policy 231 *Fundraising Authority, Responsibility, and Coordination*
10 **2.7** UVU Policy 532 *University Student Groups*

3.0 DEFINITIONS

- 11 **3.1 Director of development:** An Institutional Advancement employee who is embedded in a
12 university school/college or division and who is responsible for crafting and implementing
13 strategic plans to raise philanthropic funding from prospective donors, corporations, and
14 foundations.
- 15 **3.2 Exclusive sponsor:** A qualified sponsorship in which UVU acknowledges the third party as
16 the exclusive sponsor of a UVU activity or event, or the exclusive sponsor representing a specific
17 trade, business, or industry. Because this is a qualified sponsorship, the sponsor does not receive
18 a substantial return benefit.



19 **3.3 Gift reinvestment fee:** A one-time gift fee that the Utah Valley University Foundation
20 applies to each pledge payment (gift). The fee, which is customary with universities and other
21 non-profit organizations across the United States, provides essential support to Utah Valley
22 University Foundation and Utah Valley University's Advancement program. The established fee
23 is specified in the qualified sponsorship agreement.

24 **3.4 Mere acknowledgement:** The mere recognition of sponsorship payments and may include
25 sponsor logos and slogans (that do not contain comparative or qualitative descriptions), sponsor
26 locations and telephone numbers, value-neutral descriptions (including displays or visual
27 depictions) of a sponsor's product-line or services and sponsor brand or trade names, and product
28 service listing. The effect of an acknowledgement is identification of the sponsor rather than the
29 promotion of the sponsor's products, services, or facilities.

30 **3.5 Qualified sponsorships:** A relationship between UVU and a third party, which results in
31 charitable contributions for which the University provides a gift receipt to the third party. In a
32 qualified sponsorship, the contributor may not receive a substantial return benefit beyond "mere
33 acknowledgment" (see section 3.4).

34 **3.6 Qualified Sponsorships/Advertising Review Committee (QSARC):** A group of
35 representatives from Institutional Advancement, University Marketing, Finance and Business
36 Services, and General Counsel who review proposals that contain charitable and non-charitable
37 elements and resolve disagreements on the classification of proposals. (See section 5.2.1.)

38 **3.7 Substantial return benefit:** Any item or service provided to a sponsor in return for the
39 sponsor's support or sponsorship of a university activity, event, or program where the benefit is
40 above or beyond a disregarded benefit (a benefit provided that is not more than 2% of the fair
41 market value of the item or service provided). Examples may include, but are not limited to, a
42 booth or table at an event/activity, tickets to an event/activity, advertising, t-shirts/mugs, or
43 access to university services. Substantial return benefit does not include an exclusive sponsorship
44 of an exempt activity (an activity having a substantial relationship to purpose for which UVU has
45 been granted tax-exempt status), the use or mere acknowledgement of the name of logo (or
46 product lines) of the payor's trade or business.

47 **3.8 UVU Foundation: ("Foundation"):** The duly established Utah nonprofit corporation
48 organized to be a charitable, tax-exempt 501(c)(3) entity that operates exclusively for the benefit
49 of the University. The Foundation accepts and manages any and all charitable gifts to the
50 University. The Foundation is directed by a board comprising volunteers and university
51 employees. For the purposes of this policy, references to the Division of Institutional
52 Advancement shall be presumed to include the Foundation and its board unless otherwise
53 indicated.



4.0 POLICY

54 4.1 Policy Statement

55 4.1.1 This policy provides a process whereby UVU departments and programs may establish
56 qualified sponsorship relationships with third parties in accordance with federal law and
57 regulations. All such relationships must be conducted in accordance with applicable UVU policy,
58 state and federal laws, and Internal Revenue Service (IRS) regulations.

59 4.1.2 Compliance with this policy will help ensure that UVU does not incur unrelated business
60 income tax liability and that the sponsor's payments qualify as charitable contributions.

61 4.1.3 In accordance with regulations established by Internal Revenue Code, the Assistant
62 Director of Gift Processing or the Director of Foundation Accounting determine whether the
63 sponsorship is considered charitable. The structure of the transaction, not the name given to the
64 transaction, will determine whether the transaction is charitable (sponsorship) or non-charitable
65 (advertising).

66 4.1.4 This policy does not cover non-charitable transactions, such as advertising, which are
67 covered in UVU Policy 172 *Advertising*.

68 4.1.5 This policy does not include sponsored programs (non-charitable grants, contracts,
69 cooperative agreements), which are covered in Policy 137 *Sponsored Programs*.

70 4.2 Charitable vs. Non-Charitable Transactions

71 4.2.1 University entities engaging in a transactional relationship with a third party are
72 responsible to contact the Assistant Director of Gift Processing or the Director of Foundation
73 Accounting, within Institutional Advancement, to determine if the third party will be making a
74 charitable or a non-charitable transaction.

75 4.2.2 The Assistant Director of Gift Processing or the Director of Foundation Accounting, within
76 Institutional Advancement, shall determine whether a relationship is a qualified sponsorship, in
77 accordance with Internal Revenue Code. The structure of the transaction, not the name given to
78 the transaction, will determine whether the relationship or transaction is a qualified sponsorship
79 (i.e., charitable or non-charitable).

80
81 4.2.3 There are instances in which a portion of a transaction may be a qualified sponsorship, and
82 a portion may not be. In this instance, the fair market value must be established, and only the
83 payment above the fair market value would be charitable.

84
85



86 **4.3 Acknowledgement and Receipt**

87 **4.3.1** Because qualified sponsorships are charitable contributions (as defined by the IRS), the
88 Assistant Director of Gift Processing or the Director of Foundation Accounting, within
89 Institutional Advancement, must provide a receipt of these contributions. University departments
90 and organizations must report all sponsorships to Institutional Advancement to ensure accurate
91 accounting and acknowledgement from the Foundation.

92 **4.3.2** Once Institutional Advancement receives and processes the charitable donation,
93 Institutional Advancement will issue a charitable receipt as acknowledgement from the
94 Foundation to the donor.

95 **4.4 Unacceptable Qualified Sponsorship**

96 **4.4.1** The University has the right to and will refuse sponsorship from unacceptable sources, or
97 with an unacceptable message. For example, a qualified sponsorship is unacceptable that (1) is in
98 conflict with university policies; (2) adversely affects the University's reputation; (3) appears to
99 create an endorsement by the University of a particular company, product, political candidate or
100 position regarding public policies; (4) is considered to contain obscene, indecent or profane
101 material; (5) ridicules, exploits or demeans persons on the basis of their age, color, creed,
102 disability, national origin, race, religion, sex or sexual orientation; or (6) promotes tobacco
103 products.

104 **4.4.2** The University and the Board of Trustees is authorized to disapprove a proposed qualified
105 sponsorship if necessary.

106 **4.5 Termination of Existing Qualified Sponsorships**

107 **4.5.1** The University and the Board of Trustees are authorized to determine whether a qualified
108 sponsorship should be terminated in accordance with its qualified sponsorship agreement.

109 **4.5.2** The Vice President of Institutional Advancement shall ensure that each qualified
110 sponsorship agreement includes appropriate terms allowing UVU to terminate the agreement.

111 **4.6 Gift Reinvestment Fee for Qualified Sponsorships**

112 **4.6.1** Institutional Advancement charges a gift reinvestment fee for charitable donations,
113 including qualified sponsorships. The Vice President of Institutional Advancement determines
114 this fee (typically a percentage of the donation) for each sponsorship and ensures that the fee is
115 specified in the qualified sponsorship agreement. For any qualified sponsorship, the Vice
116 President of Institutional Advancement may waive a gift reinvestment fee requirement.



5.0 PROCEDURES

117 **5.1 Determining if a Request is a Qualified Sponsorship or Advertising**

118 **5.1.1** When a university entity, in coordination with their director of development, and a third
119 party wish to establish a qualified sponsorship or advertising relationship, it must be first
120 determined which classification the proposal fits. With the exception of student groups (see
121 section 5.1.1.1), the university entity must submit the proposal to the Assistant Director of Gift
122 Processing or the Director of Foundation Accounting in Institutional Advancement.

123 **5.1.1.1** Student groups (as defined in UVU Policy 532) must first submit their proposal to their
124 program advisor, who contacts the designated director of development. The director of
125 development then submits the request to Assistant Director of Gift Processing or the Director of
126 Foundation Accounting in Institutional Advancement.

127 **5.1.2** In accordance with IRS regulations, the Assistant Director of Gift Processing or the
128 Director of Foundation Accounting will determine whether the proposal is a qualified
129 sponsorship or advertising.

130 **5.1.3** If the Assistant Director of Gift Processing or the Director of Foundation Accounting
131 determines that the proposal is not a qualified sponsorship, the appropriate director of
132 development will refer the university entity and the third party to the Director of Trademarks and
133 Licensing in University Marketing. Such requests then follow the procedure laid out in UVU
134 Policy 172 *Advertising*.

135 **5.1.4** If the qualified sponsorship proposal includes a request for the use of the UVU name,
136 logos, trademarks and/or related intellectual property, the director of development must contact
137 the Director of Trademarks and Licensing in University Marketing.

138 **5.2 Handling Charitable and Non-Charitable Elements in One Proposal**

139 **5.2.1** When a third party wishes to either (1) exchange gifts in kind or (2) make a donation with
140 charitable and non-charitable elements, the university employee working with the donor and the
141 appropriate director of development will submit the proposal to the Assistant Director of Gift
142 Processing or the Director of Foundation Accounting in Institutional Advancement. The
143 Assistant Director of Gift Processing or the Director of Foundation Accounting will determine
144 whether QSARC review of the proposal is required.

145 **5.2.2** If the QSARC reviews and approves the proposal, the Assistant Director of Gift Processing
146 or the Director of Foundation Accounting will contact the appropriate director of development
147 who submitted the proposal.



148 **5.2.3** If the QSARC reviews and does not approve the proposal, the Assistant Director of Gift
149 Processing or the Director of Foundation Accounting will advise the appropriate director of
150 development.

151 **5.2.4** Sponsorship packets must be renewed once a year with updated information. The
152 appropriate Institutional Advancement director of development will submit these packets to the
153 Assistant Director of Gift Processing or the Director of Foundation Accounting.

154 **5.3 QSARC Meetings**

155 **5.3.1** The QSARC shall meet as needed to review a proposal and shall do so in a timely manner.

156 **5.3.2** QSARC members may assign a delegate in their absence to attend meetings when needed
157 to complete proposal reviews in a timely manner.

158
159 **5.3.3** If another university entity is involved in the donation, the QSARC may invite a
160 representative from that entity to attend the meeting in which the proposal is reviewed.

161

POLICY HISTORY		
Date of Last Formal Review: Click here to enter a date.		
Due Date of Next Review: Click here to enter a date.		
Date of Last Action	Action Taken	Authorizing Entity
June 15, 2006	Regular policy approved	UVU Board of Trustees
	Revised policy approved.	UVU Board of Trustees

162 *More information on the formal review can be found in Policy 101 section 4.7.3.



POLICY TITLE	Coordination of Sponsorship and Advertising	Policy Number	234
Section	Financial Affairs and Development	Approval Date	June 15, 2006
Subsection	Development	Effective Date	June 15, 2006
Responsible Office	Office of the Vice President of Development and Alumni Relations		

1.0 PURPOSE

163 ~~1.1 UVU needs a policy for departments and programs soliciting revenue in the form of~~
 164 ~~sponsorships and advertising to support university activities. The policy will serve as a guide in~~
 165 ~~decision making for university personnel, who are approached by, or approach, external~~
 166 ~~advertisers or corporate sponsors that want to access the campus community.~~

2.0 REFERENCES

167 ~~2.1~~

3.0 DEFINITIONS

168 ~~3.1 Advertising: The opportunity provided to another party for the purpose of promoting or~~
 169 ~~marketing any trade, business, service, facility, or product (funds are not recognized as a~~
 170 ~~donation). Advertising revenue may be subject to federal unrelated business income tax (UBIT).~~

171 ~~3.2 Campus community: All faculty, staff, and students of UVU.~~

172 ~~3.3 Corporate sponsorship: A contribution from an external business or commercial enterprise~~
 173 ~~in exchange for acknowledgement that is limited by the IRS to the business name, logo, address,~~
 174 ~~telephone, and Internet address.~~

175 ~~3.4 External advertisers: Non-campus businesses or commercial enterprises that want to~~
 176 ~~promote items across campus.~~

177 ~~3.5 Institution personnel: Employees of Utah Valley University.~~

178 ~~3.6 Marketing agreements: Agreements that allow a product to be marketed and sold on~~
 179 ~~campus (e.g.: Pepsi®, Cellular®).~~

180 ~~3.7 Office: The Office of University Advancement.~~



181 ~~**3.8 Supplemental revenue:** Additional revenue received from donors and business to assist~~
182 ~~programs at UVU.~~

183 ~~**3.9 University activities:** Any activity held at UVU by UVU or held by UVU off campus.~~

4.0 POLICY

184 ~~**4.1** Before revenue is accepted, the department shall determine whether the funds are for~~
185 ~~advertising or for sponsorships. Sponsorships require approval from the Division of~~
186 ~~Development and Alumni before they are accepted.~~

187 ~~**4.2** Since corporate sponsorships are charitable contributions by IRS definition and must be~~
188 ~~appropriately received by the Division of Development and Alumni, departments and~~
189 ~~organizations must report all sponsorships to the Division of Development and Alumni in order~~
190 ~~to ensure accurate accounting and acknowledgement from the Foundation.~~

191 ~~**4.3** Advertising is not considered a charitable contribution and is not subject to IRS regulations.~~
192 ~~Advertising is not processed through the office.~~

5.0 PROCEDURES

193 ~~**5.1** When a university employee is approached by or approaches a business or commercial~~
194 ~~enterprise to advertise or be a sponsor, the University needs to determine whether the entity~~
195 ~~wants to be an advertiser or sponsor. If the business wants to be a sponsor, the university~~
196 ~~employee needs to contact the Division of Development and Alumni for approval.~~

197 ~~**5.2** Proposal summary: Provide a description of an unmet need of the University or community~~
198 ~~that will be met by the special unit. Describe how the special unit is qualified to meet the need.~~
199 ~~Identify any faculty or staff involved and their units.~~

200 ~~**5.3** To be considered a sponsorship, the following must take place:~~

201 ~~**5.3.1** Monies or equivalent are received by UVU from an individual, business, or commercial~~
202 ~~enterprise.~~

203 ~~**5.3.2** Acknowledgement from the University. (The acknowledgement may not contain the~~
204 ~~University's endorsement of the business entity's products, or services. Any qualitative or~~
205 ~~quantitative language about the business entity's products or services, or any information other~~
206 ~~than business name, logo, address, telephone, and/or Internet address, would classify the~~
207 ~~contribution as advertising.)~~

208 ~~**5.3.3** Funds may not be from a vendor as part of an exclusive provider arrangement.~~



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209 ~~5.4 If all of the above criteria are not met, the payment is considered advertising revenue~~
210 ~~according to IRS regulations and not a contribution eligible as a tax deduction.~~

POLICY HISTORY		
Date of Last Action	Action Taken	Authorizing Entity
June 15, 2006	Regular policy approved	UVU Board of Trustees



POLICY 234 EXECUTIVE SUMMARY

Policy Number and Title: 234 Qualified Sponsorships	
Date:	July 8, 2021
Sponsor:	Kyle Reyes
Steward(s):	Melanie Lafranca
Policy Process:	Regular
Policy Action:	Revision
Policy Office Editor:	Cara O’Sullivan
Embedded Attorney:	Greg Jones

Issues/Concerns (including fiscal, legal, and compliance impact):

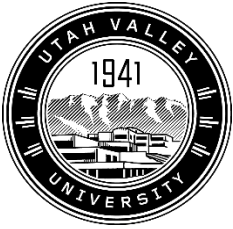
Note: This policy will accompany Policy 172 *Advertising* through the policy review process. Policy 234 Coordination of Sponsorship and Advertising policy was last updated in 2006. In consultation with the Vice President of Marketing and Communications and their staff, the Vice President of Institutional Advancement and staff assessed the need to update this policy and separate it into two separate policies: one will cover sponsorships (owned by Institutional Advancement) and the other, which will be a new policy, will cover advertising (owned by Marketing and Communications).

Suggested Changes:

- Split Policy 234 into two separate policies:
 - Institutional Advancement will update Policy 234 and rename it Policy 234 Sponsorships.
 - Marketing & Communications will create a new policy that will cover advertising. This new policy will be called Policy 172 Advertising.
- Within Policy 172 Advertising, create a process for determining whether a donation should be addressed as a qualified sponsorship, advertising, or exclusive provider.
- Within Policy 172 Advertising, create a process for a transaction with non-charitable elements.
- Policy 172 will include definitions for advertising, non-campus businesses, and commercial enterprises.

Requested Approval from President’s Council: Entrance to Stage 1

Proposed Drafting Committee: Mark Arstein, Chad Foote, Scott Trotter, Greg Jones, Aaron Price, Cara O’Sullivan (embedded editor), Mathew Chambers, Melanie Lafranca



UTAH VALLEY UNIVERSITY
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EQUITY ASSESSMENT COMMITTEE (EAC) FORM

Policy Number and Title: 234 Qualified Sponsorships

Sponsor: Kyle Reyes
Steward(s): Melanie Lafranca
EAC Review: January 27, 2025
Owner Review: January 27, 2025

UVU Scope (Groups Impacted):

- | | |
|--|--|
| Adult learners | Pregnancy, pregnancy-related conditions |
| Age (40+) | Race and ethnicity |
| Color | Religion, spirituality, and worldviews |
| First-generation student status | Sex, gender identity, and gender expression |
| Individuals with apparent or non-apparent disabilities | Sexual orientation |
| National origin and citizenship status | Socioeconomic status |
| | Veteran status (including uniformed military status) |

Note: This form is for internal use only by the EAC and policy owners (sponsors, stewards, and coordinators). This form captures general equity concerns and those that impact the specific groups listed. This form will accompany the Stage 2 draft.

Section	Groups Impacted	General Equity	Equity Concern	Recommendation	Policy Owner Proposed Solution
			The EAC did not find any issues.		