

A Guide to Incoming and Outgoing Sponsorships

Procedures:

- [How to Classify an Incoming Sponsorship](#)
- [Request an Outgoing Sponsorship](#)
- [Unrelated Business Income Guidelines](#)

Related Law & Policy

- [University Policy 1111 - University Publication and Printing Function](#)
 - [University Policy 1130 - Use of the University's Trademarks](#)
 - [University Policy 1103 – Space Utilization and Scheduling](#)
 - [George Mason University Brand Profile](#)
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I. Scope

This guide applies to all George Mason University employees who request, accept or approve incoming or outgoing sponsorship activity with State funds. This guide does not apply to employment recruiting or procurement of advertising.

II. Statement

As an agency of the Commonwealth, George Mason University (Mason) has a public obligation to ensure that all expenditures are essential, reasonable and support the mission of the university. An Outgoing Sponsorship Justification form, which includes a written statement detailing the benefits the university will receive and how the sponsorship supports its mission, must be approved prior to the start of sponsored activity.

Mason is required to pay Federal income tax on net income from activities unrelated to the exempt mission of the university: education, research and public service. Incoming Sponsorships are classified as Qualified, Non-Qualified or Procurement. Units may use the Incoming Sponsorship Guide ([link](#)) to determine the type of sponsorship and follow the corresponding procedures. The unit is responsible for completing the [Unrelated Business Income Certification](#) annually.

The Rector and Visitors of George Mason University own all of the Trademarks, which relate to or have become associated with the university. The Office of Communications and Marketing is responsible for the review, approval, and licensing of Trademarks.

III. Definitions

Acknowledgment: recognition that does not result in advertising or a substantial return benefit. The following forms of acknowledgment are acceptable:

- Oral acknowledgement by event organizers
- Sponsors name or logo on functional items (event programs, cups used at the event, athletic wear, bags, shirts, etc.)
- Slogans which are an established part of identity
- Contact information, website address or description of services
- Product displays and/or samples and visual depictions



Advertising: a message indicating an endorsement, call to action, incentive to purchase, price information or suggestion of savings that is broadcast, transmitted, published, displayed or distributed by Mason in support of the sponsor.

Advertising is considered a substantial return benefit.

Logo: the recognizable and distinctive visual graphic, stylized name or unique symbol identifying George Mason University.

Trademark: any word, symbol or combination thereof used to identify and distinguish George Mason University including common names (GMU, Mason), insignia, emblems, identifying marks, seals and mascots

Outgoing Sponsorship: a sponsorship **provided by Mason** to a non-Mason entity for an external event. The value of an Outgoing Sponsorship must result in a **tangible benefit** to the university. *A Qualified Sponsorship may meet the definition of a philanthropic sponsorship. Please contact the George Mason University Foundation for guidance related to philanthropic activity.*

Outgoing Sponsorships must:

- Align with and support the university mission
- Align with the university brand communication (logo, trademark, etc.)
- Provide a tangible benefit to the university that can be quantified financially (return on investment)

Incoming Sponsorship: The provisioning of goods or services **received by Mason** from a non-Mason entity. Incoming Sponsorships are classified as Qualified, Non-Qualified, or Procurement.

1. **Qualified Sponsorship:** goods or services received by Mason from a non-Mason entity in support of one or more mission related-activities, events or programs that is not subject to Unrelated Business Income Tax (UBIT). A Qualified Sponsorships must:
 - a. Not provide a substantial return benefit to the non-Mason sponsor
 - b. Not be contingent on the level of attendance
2. **Non-Qualified Sponsorship:** goods and/or services received by Mason from a non-Mason entity that provides a Substantial Return Benefit to the sponsor or contains qualitative statements in support of the sponsor. Non-Qualified Sponsorships may be subject to UBIT and/or qualify as Procurement. In order to be exempt from UBIT, the sponsorship must clearly be 100% integral to the college experience. **Procurement:** 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 \$5,000 and exceed 10% of the value of the goods or services provided by the sponsor, then the purchasing rules apply to the transaction.

Substantial Return Benefit: the total value of **any item or service that Mason provides to a sponsor**, in return for the sponsor's contribution(s). The total value of the return benefit may not exceed 2 percent of the contribution amount. Acknowledgment is not considered to be a substantial return benefit.

Tangible Benefit: the total **quantified value received by Mason** as a result of an Outgoing Sponsorship. The total value of tangible benefit(s) must equal or exceed the amount of the Outgoing Sponsorship.

IV. Responsibilities

Department Head and/or Principal Investigator is responsible for ensuring that requests for sponsorship meet the provisions of this guide. Faculty and staff should consult with Mason Creative Services regarding logo and trademark usage by the external entity.

Vice President for Finance and Budget (or designee) is responsible for ensuring that the provisions of this guide have been met prior to the approval of an Outgoing or Non-Qualified Sponsorship request.

The International Tax Office is responsible for reviewing all Non-Qualified Sponsorships to determine if Unrelated Business Income Tax (UBIT) is applicable.

The Purchasing and Accounts Payable Office is responsible for payment remittance. A department or individual Mason Purchase Card (P-Card) may not be used to pay for a sponsorship. Reimbursement to Mason individuals for sponsorship payments will not be accepted.

Auxiliary Enterprises is responsible for the review, approval, and licensing of all George Mason University Trademarks.

V. Requirements and Limitations

This guide established the following requirements and limitations regarding appropriate sponsorship(s).

Sponsorships may not:

- Involve the sponsorship of individuals, including employees, for their participation in a personal fundraising activity or event
- Utilize symbols or copyrights not owned by the university, unless written permission is obtained from the owner of said symbol or copyright
- Contain obscene, indecent, profane or other material that may violate the Code of Conduct
- Violate the Conflict of Interest policy

All sponsorships must

- Be approved, by all parties, prior to the acceptance/distribution of funds. A sponsorship request will not be approved after an event has occurred
- Be expressed in writing
- Meet the criteria for Outgoing, Qualified or Non-Qualified sponsorship
- Meet the criteria established by The Office of Communication and Marketing for trademark usage

Outgoing Sponsorship Guide

Complete the online form to [Request an Outgoing Sponsorship](#) at least 30 days prior to the event or sponsorship deadline. A monetary value must be assigned to each tangible benefit received by the university. The Commonwealth Accounting Policies and Procedures (CAPP) Manual requires that disbursements of state funds be paid to businesses or individuals who furnish goods and services to the university and that those purchases be considered essential to the operation of the university. As a result, a Request for Outgoing Sponsorship must be submitted, stating how the sponsorship benefits Mason and supports its mission. If approved, the request and approval must be attached to the eVA requisition.

Sponsorships may not be paid:

- To individuals, including employees, for their individual participation in a fundraising activity of event
- As a 'gift-in-kind' or charitable giving (donation) in which no return on investment is received

The Department Head/Principal Investigator must detail the nature of the project, event or service being sponsored and describe how the sponsorship benefits Mason and supports its mission. A dollar value for each good or service Mason will receive as a result of the sponsorship must be noted and the cumulative total must meet or exceed the cost of the sponsorship. If advertising is included, please provide comparable advertising pricing targeted to a similar sized audience. Advertising may include all forms of acceptable acknowledgment (see *Sec. III*).

Once submitted, the [Request an Outgoing Sponsorship](#) form will be electronically routed to the Vice President for Finance and Budget (or designee) who will review the sponsorship and provide approval/denial. Once approved the request and approval notice should be attached to the purchase requisition (PR) in eVA, Virginia's electronic procurement system.

Appendix B

Incoming Sponsorship Guide

The different types of Incoming Sponsorships are detailed below. Please utilize the [How to Classify an Incoming Sponsorship](#) form to assist in determining the type of sponsorship and required actions.

Qualified Sponsorships are exempt from Unrelated Business Income Tax (UBIT). A Qualified Sponsorship is a donation of cash, goods or services by a non-Mason entity in support of one or more mission related activities, events or programs, whereby the total return to the sponsor does not provide a **Substantial Return Benefit**. These sponsorships may be approved by the dean/director and accepted on behalf of the university for deposit into a State fund.

A **Substantial Return Benefit** is any item or service provided to a sponsor, in return for the sponsors' support, which exceeds two (2) percent of the contribution amount. This includes tangible goods and **Advertising** but does not include **Acknowledgment(s)**. Tangible good include space rental. Any amount that would have been charged if not for the vendors sponsorship, should be included in the return benefit calculation.

Advertising is considered a **Substantial Return Benefit** to the sponsor and includes any message or programming material that is broadcast or otherwise transmitted, published, displayed or distributed which promotes or markets any trade, business, service, facility or product.

Examples of Sponsor Advertising include:

- Sponsors name or logo on unrelated items (souvenirs for use by sponsors' employees)
- Message containing qualitative or comparative language such as an Endorsement or a Call to Action
- Price information or other indication of savings, value, incentive to purchase, sell or use the product, service or facility
- Hyperlinks to the sponsor's website, which leads the consumer to the sponsors "sales page" containing any of the items mentioned above

Acknowledgment of a sponsor's support is not considered a **Substantial Return Benefit**. Examples of Sponsor Acknowledgement include:

- Sponsors name or logo on functional items (event program, cups used at the event, helmets/jerseys for players, pens)
- Slogans which are an established part of the sponsors identity
- Description of services/products, as long as use is not qualitative, comparative, or incentivized
- Sponsors contact information
- Product displays, visual depictions or product samples (free or for sale)
- Hyperlink to the sponsor's website that does not lead to any Advertising (see above)

Non-Qualified Sponsorships do provide a **Substantial Return Benefit** to the sponsor and may be subject to UBIT and/or qualify as **Procurement**. In order to be exempt from UBIT, the sponsorship must clearly be 100% integral to the college experience. These sponsorships must be reviewed and approved by the Vice President for Finance and Budget before acceptance. Use the [How to Classify a Sponsorship](#) form to submit the request.

Procurement – 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 a 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 \$5,000 and exceed 10% of the value of the goods or services provided by the sponsor, then the purchasing rules apply to the transaction. *Charitable in-kind donations may be accepted by the George Mason University Foundation.*

