

Sponsorship Policy

Policy Statement

The American University in Cairo recognizes that there are opportunities and benefits in allowing sponsorship initiatives. AUC supports sponsorship initiatives that generate revenue to support programs and services, as well as providing funds for those that would otherwise not be affordable.

Reason for Policy/Purpose

This policy outlines the guidelines related to accepting and acknowledging sponsorships. A separate Gift Acceptance Policy outlines the regulations pertaining to gifts and can be obtained online or through the Office of Advancement and Communications, which is responsible for overseeing all gifts to the University. To avoid confusion, the definition of gifts and sponsorships is outlined below.

Who Approved This Policy

Office of Advancement and Communications

Who Needs to Know This Policy

External Sponsors

Web Address for this Policy

Contacts

Office of Advancement and Communications

Definitions

<p>A gift is a consideration given for which the donor receives no direct benefit and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored. Donations from corporations, foundation and individuals are gifts to the university and are handled exclusively by the Office of Advancement and Communications. Any solicitation for support of an activity or event must be cleared with the Office of Advancement and Communications. All gifts received must be reported to the Office of Advancement and Communications to ensure accurate accounting and acknowledgement of all contributions to the University. The recognitions of gifts, which are tax deductible, must not include the use of logos or serve as direct promotion of the donor.</p>

<p>A sponsorship is an arrangement between the University and external organizations where the external organization contributes funds, good or services-in-kind to an AUC program,</p>

event or activity in return for acknowledgement, recognition or other promotional consideration related to the program, event or the University. Because corporate sponsorships are charitable contributions they must be appropriately received.

Policy/Procedures

The University only accepts sponsorships that can be defined as qualified sponsorship payments by United States IRS regulations 1. These are payments from a business or trade that is received with only qualified acknowledgement - recognition at the event or activity or publication in any printed materials 2 related to the program, event or activity of the sponsor's name or logos without qualitative or comparative statements about the sponsor, pricing or indication of savings, call to action or endorsements. Permissible information includes sponsor's locations, phone numbers, fax numbers and Web site.

According to IRS Publication 598, a qualified sponsorship payment is:

“This is any payment made by a person engaged in a trade or business for which the person will receive no substantial benefit other than the use or acknowledgment of the business name, logo, or product lines in connection with the organization's activities. “Use or acknowledgment” does not include advertising the sponsor's products or services. The organization's activities include all its activities, whether or not related to its exempt purposes. For example, if, in return for receiving a sponsorship payment, an organization promises to use the sponsor's name or logo in acknowledging the sponsor's support for an educational or fundraising event, the payment is a qualified sponsorship payment and is not subject to the unrelated business income tax.”

According to the Egyptian Stamp Tax Law No. 111 of 1980 and its Amendments No. 143 of 2006 and No. 104 of 2012 :

1- Any announcement, notice or notification that is done by any means is deemed an advertisement. A proportional stamp duty at the rate of 10 percent of the advertisement's price shall be due in case said price does not exceed LE 1 million; at the rate of 15 percent if the advertisement price is more than LE 1 million and less than LE 25 million and at the rate of 25 percent if the advertisement price exceeds LE 25 million. The advertiser is responsible to pay the due stamp tax to the competent Tax Authority in case this advertiser is a legal personality/entity. The bodies that produce advertisements for natural persons are responsible to collect the stamp duty and to pay it directly to the Tax Authority within two months from the advertisement date (“Article 60”). 2- All bodies engaged in advertising are responsible to notify the competent Tax Authority with respect to the advertisements that are displayed, broadcast or published and they should outline the advertisement type, its cost and the stamp duty due thereon. In all events, the bodies producing advertisements should keep a record of all advertisements and advertisers' names (“Article 61”).

II. Restrictions on Acceptance of Gifts or Sponsorships

While welcoming and indeed encouraging free expression of opinion on campus, the American University in Cairo does not accept any form of material support, including donations or sponsorships in cash, goods or services, from political parties or religious organizations.

The University also reserves the right to refuse donations and sponsorships from other private, business or social entities as deemed appropriate by the University Cabinet. This policy applies to all recognized University constituent or affiliate groups, including student organizations, alumni clubs, research centers and the like.

The following subject matters will not be allowed in AUC's sponsorship activities:

- Promotion of a political party or election candidate beyond AUC elected offices
- Promotion of tobacco use
- Promotion of any form of substance abuse • Alcohol advertising 3 of 4
- Fundraising advertisements or sponsorships for any initiative not directly associated with AUC
- Advertisements or sponsorships from any other educational institution particularly those that offer competitive programs

Limitations for Sponsorships

- Promotion of a sponsor's goods or services should not be incompatible with the university's mission.
- Sponsorship may not infringe upon trademarks or copyrights or otherwise violate national or international law.
- Sponsorship may not promote alcoholic beverages or tobacco, including brand names, logos or mascots of such entities.
- Sponsorship announcements may be solicited and placed in programs, publications, newsletters, banner and other printed materials when the purpose is to defray the cost of producing the material and or supporting the related program.
- Recognition is limited to a written acknowledgement or corporate logo of the sponsor on the inside back cover of event-related publication and or at the bottom of single-sided printed materials.
- Corporate logos or elements of the corporate identity of sponsors will be permitted on booths; however they must be limited in size to fit the booth and comply with University policy governing the allocation and management of booths on campus.
- When considered appropriate, sponsorship announcements may be solicited and placed on the web site associated with the special event or activity being sponsored. All such sponsorship solicitations must be coordinated through the Office of Advancement and Communications.
- Sponsorships are considered inappropriate on recruitment materials, communications with students related to academic programming, course catalogs and schedules, campus landscape amenities, within or on campus academic and general administrative or service buildings, and through the campus mail and email system.
- Acceptance of sponsorships shall in no way imply a direct affiliation between the university and its sponsors and shall in no way include any perceived endorsement of the sponsors by the university or any of its agents. Use of the university's identity — its names and symbols — in association with a sponsor's identity must receive written approval and be in compliance with the university's brand and graphics standards.
- The president must approve any contractual relationship, which includes exclusive sponsorship arrangements.

- Sponsorship may not include “messages containing qualitative or comparative language, price information or other indications of savings or value; endorsements; or inducements to purchase, sell or use the products or services,” which is considered advertising.

Sponsorship Benefits

Given that the preceding limitations are followed, sponsors may receive the following benefits:

- Placement of the sponsor’s name and logo in the inside back cover of an event program, on an event-related Web site or on an event banner or poster, provided they don’t contain qualitative or comparative descriptions of its products, services, facility or company
- Value-neutral descriptions, including displays or visual depictions, of the sponsor’s products or services
- The sponsor’s brand or trade names and product or service listings
- Display or distribution of a sponsor’s product by the sponsor or the exempt organization to the general public at the sponsored activity

III. Procedures for Seeking Sponsorships

- All requests for external funding should be coordinated with the Office of Advancement and Communications.
- Student organizations must go through the Office of Student Development and follow the steps outlined in the Student Advertising and Promotion Policy.
- All sponsorships must be officially documented in a written contract and reviewed by the University’s legal adviser.
- Offices or departments seeking sponsorships for activities must first secure the approval of their area head.
- All sponsorships should be appropriately receipted through the Office of Advancement and Communications.

¹ see IRS tax code 513(i)

² Egyptian law dictates that logos appearing on printed materials forfeit ‘contribution’ status and are liable to taxation

Forms/Instructions

Related Information

References

www.irs.gov/publications/p598/ch03.html <http://library.findlaw.com/2000/Apr/1/131322.html>

Appendices (optional)

History/Revision Dates

Last update: December 9, 2016