**External Sponsorships**

Gift vs. Non-Gift Revenue

# **Sponsorships and the IRS**

# A sponsorship can be considered tax deductible depending on the nature of the sponsorship agreement and whether the donor receives advertising benefits because of the contribution. A sponsorship can be considered tax deductible if the sponsor receives name recognition. Common examples are the inclusion of the sponsor’s name or logo and contact information on marketing materials. Conversely, if marketing materials for an event contain qualitative or comparative language, pricing information, endorsement or inducement to purchase, sell, or use the sponsor’s service facility or product, the sponsorship is not tax deductible.

# **Sponsorships are a gift when…**

* The contribution is used to pay for the event and the donor does not attend or receive benefits
* The donor is really looking for just name recognition.
* The mention of a location, phone number, or website is on marketing materials
* There are value-neutral descriptions, including displays or visual depictions of the sponsor’s product line or services
* Displays show brand or trade names and product or service listing
* Logos or slogans used are an established part of the sponsor’s identity
* Mere display or distribution of the sponsor’s product are at a sponsored activity (free or at a cost)

**Sponsorship Gift Revenue: Please bring payment to Gift Administration in Advancement in Gateway 203. Please contact** **giving@unt.edu** **if you are interested in setting up an online giving page.**

# **Sponsorships are NOT a gift when…**

* Recognition has qualitative or comparative language
* Marketing materials include price information or other indications of savings or value
* Marketing materials include an endorsement or inducement to purchase, sell, or use the sponsor’s service, facility, or product.
* A single message containing advertising and acknowledgement is included
* Sponsorship revenue may not be a gift if the following words are included in sponsorship documents: “sponsorship agreement,” “partnership,” “joint venture,” “royalty agreement,” “advertising,” etc.

**Sponsorship Non-Gift Revenue: Please bring payment to Student Accounting in the Eagle Student Services Center.**

**If you have any questions, contact Gift Administration**

**at (940) 369-8200 or** **giving@unt.edu****.**