

## **SUBJECT: ADVERTISING & SPONSORSHIPS**

Proposed and Approved: 11/3/2018

### **PURPOSE**

- To set guidelines for the types of advertising that will be accepted or rejected for display on the BUSA website and in BUSA publications
- To set guidelines for on-line and print advertising rates
- To set guidelines for developing corporate sponsorships

### **ADVERTISING GUIDELINES**

Advertising will be accepted or rejected based on the following:

#### **Acceptable**

- Ads for Goods and Services specifically relating to the sport of lawn bowls, such as bowls, equipment, clothing, shoes, sun-protection products, pins, awards & trophies, etc.
- Ads for the hospitality industry, including hotels, motels, condos, RV parks, restaurants, and taverns
- Ads for beverages and snacks
- Ads for commercial services such as insurance, auto repair, car rentals, retail establishments, grocery stores, local attractions, etc.
- Ads for service organizations and non-profits
- Ads for local events
- One-line ads such as "Happy Birthday", "Good Luck", etc.

#### **Not Acceptable**

- Political ads
- Personal ads
- Religious ads
- Ads for illegal drugs and drug paraphernalia, weapons, or tobacco products

### **ADVERTISING RATE GUIDELINES**

#### **BowlsUSA Newsletter**

- Since BUSA is a non-profit corporation, the sale of advertising in the monthly newsletter might be considered "unrelated revenue" by the IRS and subject us to the "Unrelated Business Income Tax" (UBIT)
- It is suggested that advertising be restricted to BUSA and local events, and one-line ads
- It is acceptable to print sponsor logos throughout the newsletter

#### **Other Publications (Rule Books, Tips and Techniques, US Open brochures, etc.)**

Advertisements that are contained in a publication related to a one-time event are not likely to be considered 'regularly carried on' (unlike the newsletter). Therefore, income generated from such advertising activities will not be subject to UBIT

- Advertising in these booklets may affect postage rates by nullifying "book rate"
- *Suggested Rates* (based on previous rates)
  - **Laws of the Sport of Bowls** - Back Cover - \$500; Inside Back Cover - \$450
  - **Tactics and Techniques** - Back Cover - \$400; Inside Back Cover - \$350

## **Website**

Advertising on the website is likely to trigger 'UBIT' by the IRS. It is suggested that the website is more appropriate for display of sponsor logos *with no hyperlinks*.

## **SPONSORSHIPS**

### **Payment ('QSP)**

- In contrast to advertising, qualified sponsorships, and their related payments ("QSPs") are specifically excluded from the definition of unrelated trade or business
  - Accordingly, income generated from QSPs is not subject to UBIT
- A qualified sponsorship payment is any payment made to a nonprofit by an individual or company without an arrangement or expectation that the payer will receive a benefit in return
  - BUSA may provide minor benefits such as acknowledgement of the sponsorship through use of the sponsor's name or logo, but not include any qualitative or comparative language, references to price, savings, or value information regarding any of sponsor's products or services

### **"BUSA Corporate Sponsorship Agreement"**

The attached document is a legal framework to be used when developing sponsorships with corporations and BUSA as a whole

### **"BUSA Division. Club Sponsorship Agreement"**

The attached 2-page document is a legal framework to be used by Divisions and Clubs when developing local sponsorships

## CORPORATE SPONSORSHIP AGREEMENT

This is a CORPORATE SPONSORSHIP AGREEMENT (“Agreement”), dated as of \_\_\_\_

Between **Bowls USA, its Divisions, and**

**Member Clubs** (singularly or

collectively, BUSA), And \_\_\_\_\_ (SPONSOR).

### Background

- a. BUSA is a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code (“Code”). Its mission is to develop and promote the Sport of Lawn Bowling in the United States.
- b. Sponsor desires to become a corporate sponsor of BUSA, and to provide financial support for BUSA and increase public awareness of its mission, on the basis set out in this Agreement.
- c. This Agreement has three parts. The first part sets out framework understandings regarding the arrangement, including funds transfers, disclosures, legal compliance, use of trademarks, and termination. The second part, a document attached as Exhibit A and referred to as the “Sponsorship Plan,” sets out the specifics of the arrangement, including the sponsorship amount and term. The third part consists of exhibits identifying BUSA and Sponsor trademarks that may be used in connection with the Sponsorship. As used in this Agreement, the term “Sponsorship” means the relationship contemplated by this Agreement.

BUSA and Sponsor agree as follows:

#### 1. Sponsorship

##### 1.1 Sponsorship Payment

To support BUSA’s activities, Sponsor will make a sponsorship payment to BUSA in the amount and on the schedule set out in the Sponsorship Plan.

##### 1.2 Sponsor Recognition

Sponsor will be a corporate sponsor of BUSA during the term or for the event specified in the Sponsorship Plan. BUSA will acknowledge Sponsor in accordance with its customary recognition practices and identify Sponsor as a corporate sponsor of BUSA in its internal and external communications, including, without limitation, on BUSA’s website and in its marketing and outreach materials.

##### 1.3 Publicity by Sponsor

Sponsor may identify itself as a corporate sponsor of BUSA during the term in internal and external communications, including, without limitation, on Sponsor’s website and in its marketing and outreach materials. Except as required by law, Sponsor will not issue any press release or other public statement (including on its website) relating to its Sponsorship without obtaining BUSA’s prior written consent.

#### 1.4 No Substantial Return Benefit

BUSA will provide Sponsor no “substantial return benefit” as defined in Section 513(i) of the Code and accompanying regulations. For clarity, any acknowledgment or identification of Sponsor will (a) be limited to a statement of acknowledgment or thanks and may include display of Sponsor’s marks in accordance with Section 2, and (b) not include any qualitative or comparative language, references to price, savings or value information regarding any of Sponsor’s products or services.

#### 1.5 No Endorsement by BUSA

Under no circumstances will BUSA be expected to endorse or promote Sponsor or its products or services, nor will any such endorsement or promotion be implied or construed based on BUSA’s acceptance of Sponsor’s payment or acknowledgment or identification of Sponsor. Sponsor will not state or imply, orally or in writing, that BUSA, or its respective officers, directors, or members, endorse Sponsor or its products.

#### 1.6 Non-Exclusive Sponsorship

Sponsor’s corporate sponsorship is non-exclusive. Sponsor understands that BUSA may enter into corporate sponsorship or other similar arrangements with other companies, including, without limitation, companies with whom Sponsor may compete.

#### 1.7 Qualified Sponsorship Payment

The payment contemplated by Section 1.1 is intended to be a “qualified sponsorship payment” within the meaning of Section 513(i) of the Code, and the terms of this Agreement are intended to fall within the safe harbor established in the regulations under Section 513(i).

### 2. Intellectual Property

#### 2.1 BUSA Marks

BUSA grants to Sponsor a non-transferable, non-exclusive, non-sublicensable, revocable license to use, copy, and display the marks set out in Exhibit B (“Client Marks”) for the limited purposes set out in Section 1.3.

#### 2.2 Sponsor Marks

Sponsor grants to BUSA a non-transferable, non-exclusive, non-sublicensable, revocable license to use, copy, and display the marks set out in Exhibit C (“Sponsor Marks”) for the limited purposes set out in Section 1.2.

#### 2.3 Ownership

Each of BUSA and Sponsor acknowledges that (a) it has no interest in the other party’s marks other than the license granted under this Agreement, (b) the other party will remain the sole and exclusive owner of all right, title, and interest in its marks, and (c) any and all goodwill in the other party’s marks will inure solely to the benefit of the other party. Each of BUSA and Sponsor will comply with any reasonable trademark guidelines that the other may provide. For clarity, nothing in this Agreement is intended to give Sponsor any ownership or other rights in any BUSA property or BUSA-related property created in connection with the Sponsorship including, without limitation, intangible property such as trademarks, event attendee lists, or mailing lists.

#### 2.4 Non-Permitted Associations

Sponsor may not use Client Marks in any manner that suggests or implies endorsement of political views or religious beliefs, including, without limitation, in connection with any campaign activity for or against a political candidate or in connection with any lobbying activity.

### 3. Relationship

#### 3.1 Contact Person

BUSA and Sponsor will each appoint one individual to act as principal contact person and to facilitate communication. The initial appointees are identified in the Sponsorship Plan. BUSA and Sponsor each may change its contact person at any time and will so advise the other.

#### 3.2 Recordkeeping

BUSA and Sponsor will maintain records relating to the Sponsorship in a manner such that each party can evaluate compliance with this Agreement and will make those records available for review by one another on reasonable notice during the term of this Agreement and for a period of three (3) years after termination or conclusion of the Sponsorship. BUSA and Sponsor will each reasonably cooperate with one another in providing information relating to its activities under this Agreement in connection with any financial or tax audit, or similar matter, in which the other is engaged.

#### 3.3 Independence

BUSA and Sponsor are and will remain independent contracting parties. Nothing in this Agreement creates an employment, partnership, joint venture, fiduciary, or similar relationship between BUSA and Sponsor for any purpose. Neither BUSA nor Sponsor has the power or authority to bind or obligate the other to a third party or commitment in any manner. Any use of the term “partner” or comparable term in any communication is solely for convenience.

### 4. Indemnification

Sponsor will defend, indemnify, and hold BUSA and its directors, officers, members, agents, and assigns (collectively, “BUSA Parties”), harmless against all third party or other claims, liabilities, losses, damages, and expenses, including, without limitation, attorneys’ fees, which any BUSA Party may suffer and which arise directly or indirectly from: (a) Sponsor’s performance of the services under or in breach of this Agreement; (b) any claims by employees, clients, subcontractors, suppliers, creditors, tax authorities, or other persons in a relationship with Sponsor; (c) any claims of infringement, misappropriation, or otherwise by third parties regarding the Work Product; or (d) any claims related to tax, insurance contributions, workers’ compensation law, or other laws applicable to Sponsor. Sponsor will have no obligation to indemnify a BUSA Party to the extent the liability is solely caused by a BUSA’s gross negligence or willful misconduct.

### 5. Termination

#### 5.1 Termination on Notice

Either Sponsor or BUSA may on its own terminate this Agreement by providing written notice of

that decision to the other. Such a termination will be effective 30 days after delivery of the notice by the terminating party.

#### 5.2 Termination for Breach

If either party breaches any of its obligations under this Agreement, the non-breaching party may provide the breaching party with written notice of the breach. If the breaching party fails to cure the breach within 30 days after receipt of such notice, the nonbreaching party may terminate this Agreement upon delivery to the breaching party of a written notice to that effect, with the termination effective upon delivery of such notice to the breaching party. The non-breaching party may in its reasonable discretion determine whether the breach has been cured.

#### 5.3 Immediate Termination

Either BUSA or Sponsor may immediately terminate this Agreement by giving written notice to the other if it determines, in its sole discretion, that the other party has engaged or is engaging in conduct that reflects materially and unfavorably upon the reputation of the terminating party. Such a termination will be effective upon delivery of the notice by the terminating party.

#### 5.4 Effect of Termination

Upon termination of this Agreement, BUSA and Sponsor will cooperate in transition activities to minimize adverse impacts of the termination. Sponsor will make any remaining payments due to BUSA. BUSA and Sponsor will promptly cease use of any Sponsor Marks and BUSA Marks, respectively. Sections 2.3, 3.2, 4, 5.4, and 6 will survive the termination of this Agreement.

### 6. General Provisions

#### 6.1 Entire Agreement

This Agreement, together with its exhibits, expresses the final, complete, and exclusive agreement between BUSA and Sponsor, and supersedes any and all prior or contemporaneous written and oral agreements, arrangements, negotiations, communications, course of dealing, or understanding between BUSA and Sponsor relating to its subject matter.

#### 6.2 Amendment

This Agreement may be amended only as stated in and by a writing signed by both BUSA and Sponsor which recites that it is an amendment to this Agreement. If there are any inconsistencies between any exhibit and this Agreement, this Agreement will control.

#### 6.3 Severability

If any provision in this Agreement is held invalid or unenforceable, the other provisions will remain enforceable, and the invalid or unenforceable provision will be considered modified so that it is valid and enforceable to the maximum extent permitted by law.

#### 6.4 Waiver

Any waiver under this Agreement must be in writing and signed by the party granting the waiver. Waiver of any breach or provision of this Agreement will not be considered a waiver of any later breach or of the right to enforce any provision of this Agreement.

**6.5 Assignment**

Sponsor may not assign its rights or delegate its duties under this Agreement to anyone else without the prior written consent of BUSA.

**6.6 Governing Law**

This Agreement will be governed by Washington State law.

**6.7 No Third-Party Beneficiaries**

Except as provided in Section 4, this Agreement is for the exclusive benefit of BUSA and Sponsor and not for the benefit of any third party, including, without limitation, any employee, affiliate, subcontractor, or vendor of BUSA or Sponsor.

**6.8 Notices**

Notices and consents under this Agreement must be in writing and delivered by mail, hand delivery, fax, or e-mail to the contact persons set out in the Sponsorship Plan. These addresses may be changed by written notice to the other party.

**6.9 Force Majeure**

Neither party will be required to perform or be held liable for failure to perform if nonperformance is caused by labor strikes, work stoppages, war, hostilities, a national emergency, acts of God, epidemics, quarantines, natural disasters, power failures, or any other causes beyond the control of the party unable to perform. The non-performing party will notify and consult with the other party regarding the event and how to minimize its impact, and in all cases will make commercially reasonable efforts to address the problem and carry out its obligations.

**6.10 Counterparts**

This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which will be taken together and deemed to be one instrument. Transmission by fax or PDF of executed counterparts constitutes effective delivery.

\* \* \* \* \*

BUSA and Sponsor signed this Agreement as of the date set out in its first paragraph.

Bowls USA

Sponsor: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A – SPONSORSHIP PLAN**

**SPONSORSHIP**

Sponsorship Payment Click or tap here to enter text.

**Payment schedule** Click or tap here to enter text.

**Sponsorship term** From Click or tap to enter a date. To Click or tap to enter a date.

Event Information (if applicable)

Name Click or tap here to enter text.

Date Click or tap to enter a date.

Venue Click or tap here to enter text.

Description Click or tap here to enter text.

**Sponsor Data and Contact Person**

Sponsor Address Click or tap here to enter text.

**Contact Person**

Name Click or tap here to enter text.

Title Click or tap here to enter text.

Email Click or tap here to enter text.

Telephone Click or tap here to enter text.

**BUSA Data and Contact Person**

BUSA Address Click or tap here to enter text.

**Contact Person**

Name Click or tap here to enter text.

Title Click or tap here to enter text.

Email Click or tap here to enter text.

Telephone Click or tap here to enter text.

**EXHIBIT B - BUSA MARKS**

[insert marks]

**EXHIBIT C - SPONSOR MARKS**

[insert marks]