

Sponsorship Guidelines

These guidelines are to help FXU clubs/socs to seek and gain sponsorship and aims to offer advice on the best way to go about securing sponsorship and ways to avoid conflicting or inappropriate sponsorship agreements.

Finding sponsorship for your club/socs is not an easy task, but if you are willing to put in the work the rewards is certainly worth the effort.

What is sponsorship?

Sponsorship is business expenditure so you should approach it in a business-like way. You must remember that sponsorship is a business agreement, not a gift. It is therefore liable for VAT. This means that you should add VAT onto any invoice produced for sponsorship and ensure that any company is aware that you are quoting prices before VAT is applied.

What is a Donation?

You need to take great care to differentiate between sponsorship and donations. Is the company receiving a service in return for its financial support? If the only recognition or benefit that will be given to the company in return for their support is a simple public acknowledgement for their gift, which does not include the company's logo, then the support is a donation and is eligible for Gift Aid – allowing them to offset their gift against corporation tax. If the company's logo is being reproduced on publications, leaflets, posters or clothing, then this will be counted as sponsorship and liable for VAT.

What is Gift Aid?

Companies making a donation to a club/soc are allowed to reduce their corporation tax liability. Companies can only donate funds under Gift Aid if they are receiving no substantial benefit. Therefore sponsorship arrangements where benefits are exchanged are not donations, and therefore do not qualify for Gift Aid. Companies will not necessarily have a detailed understanding of the various issues and may attempt to arrange a sponsorship deal whilst trying to use Gift Aid – this is not possible. You need to help them understand this.

Sponsorship Principles

Companies get involved in sponsorship for a variety of reasons, but essentially for business principles and therefore they will expect a benefit in return, which in many cases will be advertising which will raise their profile amongst the student population.

1. Companies' support should add significant benefit to a club/societies aims and objectives.
2. Sponsorship support should only be considered where it will produce significant benefit for the club/soc and not be detrimental to other parts of FXU and should not dilute the club/soc aims and objectives.
3. Sponsorship should be for a society as a whole not for individual students.
4. The society must not, and must not appear to unduly endorse the sponsoring company or its products. Societies should ensure that FXU endorsement is not part of the contract. Endorsement is by the club/society alone.
5. Sponsors must not use FXU communications as a direct sales channel for their products or services. In particular, you must not compromise the FXU adherence to the Data Protection Act by offering sponsors access to data held about students, university employees or alumni.
6. The society and FXU should determine whether the sponsor could bring adverse publicity to the club/soc themselves or FXU.
7. All sponsorship agreements should be in writing. An exchange of letters may be sufficient for a small transaction, but a legal contract should be considered for large sums. This written agreement is vital to avoid misunderstandings. Without an agreement many problems may occur. This written agreement is vital to avoid misunderstandings. All sponsorship agreements must be approved by FXU before anything is signed. The agreement should detail what benefit is reasonable for the sponsors to expect.

An agreement should contain the following:

- Name of the club/soc
 - Name of the sponsor
 - Amount/form of sponsorship
 - Name of the activity or event being sponsored
 - Duration of contract
 - Benefits to sponsor - advertising, banners, tickets etc.
 - Payment details, dates and VAT liabilities
 - Option to renew
 - Termination clause
8. When logos from the sponsor are agreed to be placed on publicity it should be clear that the advertising company is secondary to that of the club/soc.
 9. The society must act with, and must demonstrate impartiality, honesty and integrity when entering into a sponsorship agreement. Any member of a society who has a conflict of interest or is known to the company, with whom the sponsorship is being considered, should declare it in advance.
 10. Negotiations for sponsorship are the responsibility of the club/soc; however approval by the FXU is necessary before an agreement can be signed. This is to safeguard the club/soc and the interests of FXU. FXU will look to ensure that sponsors do not receive returns that are greater than is proper and proportionate and that any sponsorship agreement is able to withstand public scrutiny.

What is a sponsoring company looking for?

Companies get involved in sponsorship for a variety of reasons, but essentially for business reasons including publicity opportunities, reinforcing their brand or image and/or ways to support the community. Companies make sponsorship decisions based on value for money to their business, the greater the benefit you can demonstrate, the greater your chance of securing a deal. The more information you can gain on what they are looking for the easier it will make your job of seeking sponsorship. Sponsors may want to contribute financially, while other may offer in-kind by donating goods or services.

Any sponsor will want to know what you want the money for and what they will get in return.

Do you want sponsorship for

....a specific event?

....Upgrading/maintaining equipment?

....Subsidising kit/equipment for member?

....Allow members to attend competitions/events/tours?

Here are some examples of reasonable benefits a club/soc can offer a sponsor

- Advertising - On any society publicity (flyers, posters, displaying banners at club/soc events) or club t-shirts and hoodies.
- Links to Website – A society may offer a company a mention and a link from their page on the FXU website.
- Acknowledgements in the press – mentioning the sponsor in any articles submitted to the press
- Advertising on Campus – displaying any posters and advertising material at both our university campuses. Please be aware that some forms of advertising on campus would need to be directed to the Estates Department for approval and may be subject to additional costs.
- Advertising at club/soc events and socials (when appropriate).
- Incorporating the sponsor's logo on official club headed paper.
- Opportunities to give presentations to your members

Identifying and approaching a suitable sponsors

Identify the type of companies that might be interested in the benefits you can offer and draw up a target list. Face-to-face is the best way to sell your sponsorship package as you can be enthusiastic and respond to any queries the prospective sponsor might have, although it can be difficult to get an appointment straight away. The best approach is therefore through an introductory letter and brief proposal (no more than two sides of A4). This is the first item the

recipient will see and it will need to create interest and hold their attention. It should be well thought out and look professional and be concise. More information can be given once you know that the company is interested. The approach should always be individually tailored toward the company and not give the impression of being one of a mass mail out. At this initial stage, the letter need only contain:

- Who you are
- A brief description of the club/soc or event and who it will reach or involve (including the number of members, league positions for clubs, any awards/competitions you may have won and anything else that makes your club/soc stand out)
- What sponsorship benefits you can offer the company (be realistic and honest)
- Give your aims and objectives for the event/year
- Say how much or what you want in the way of sponsorship - be specific as to how much you want from the agreement
- Say you will call them in 3-4 days' time to discuss the proposal and find out if they need any further information. Be sure to phone when you say you will, but do not expect an immediate response.

It is important that you make sure you have the right contact name to send the letter to. You can get hold of this by simply calling the company and asking who is responsible for sponsorship. Make sure you spell the company and contact name correctly.

Submit the proposal in plenty of time. Most companies plan their budgets well in advance, sometimes more than a year, so it is essential to apply early.

What next?

The worst thing that can happen is that you receive no reply and the individual is unavailable when you telephone. Do not persist beyond two or three calls; you will only make a nuisance of yourself. Or if you are more successful you may be invited to meet with the company to discuss your proposal. Plan well for the meeting by asking them beforehand what information they require. Always go to meetings with at least two members of the committee. You may wish to invite them to an event, if appropriate, so they can become more familiar with your organisation.

Get an agreement together but DO NOT get it signed until it has been approved by FXU, this is so that we can make sure that both sides of the agreement are reasonable. Ensure that you assess any risks that may be involved in taking on a sponsorship agreement.

Success results from careful planning and targeting, realistic proposals and good negotiation. You must ensure that you have a written agreement that clearly lays out what each side will deliver as part of the deal. Ensure you assess any risks that may be involved in taking on a sponsorship agreement.

On the other hand you may progress well down the path of negotiating a sponsorship agreement but fail at the last hurdle. In this case, thank the company for their interest, suggest you keep in touch with one another and ask for some feedback on your proposals and the reasons for their withdrawal.

Keeping your sponsor

Remember that sponsorship is a business agreement not a gift and is therefore it is essential that you deliver what you have promised to do in the sponsorship agreement, and it is always worthwhile trying to go above and beyond what the company ask of you as this will increase your chance of getting sponsored by them again. It is much easier to keep a sponsor once on board than find a new one each time. You should:

- Keep the sponsor informed of your progress
- Be sure to invite your sponsor to appropriate events
- Record or obtain copies of any media coverage of the event and ensure your sponsor receives a copy promptly (keeping a copy for your records and future sponsorship bids)

- Be sure to offer any further opportunities to your existing sponsor first
- Discuss the renewal of your agreement well in advance

Example of a simple sponsorship agreement

Please note: This is an example of a simple sponsorship agreement and it is designed for guidance only. High-value or complicated sponsorship agreements may require a more thorough agreement including clauses on areas such as termination, liability and confidentiality.

This agreement is made on [enter date]

Between:

(1) [Name of club/soc] of [club/soc contact address] (hereafter referred to as the “.....” for example the “Sponsored Club/Society”

(2) [Name of sponsoring company] of [company’s address] (hereafter referred to as the “Sponsor”).

This Sponsorship Agreement will take effect from [start date for the agreement] and will terminate on [end date].

The Sponsor agrees to sponsor the club/soc in respect of the [name of event or activity being sponsored] to the value of £ [amount of sponsorship] + VAT where applicable for a period of [period] year(s).

Payment(s) of [payment amount(s)] + VAT will be made on [date(s) for payment]

This sponsorship is entered into independent of and without any condition to any existing or future commercial deal(s) between the Sponsor and the Sponsored club/soc. Unless specifically stated below this agreement does not give the Sponsor any rights to use the society’s or FXU logo or name.

In return for the sponsorship the Sponsor will receive the following benefits to be provided by the sponsored club/soc:

- [list of benefits to be provided to the sponsor]

An appropriate break clause.
(We recommend that the duration is no more than one year, as there can be a lot of change in one year)

Signed on behalf of the club/soc
 Print Name:
 Signature:
 Position:
 Date:

Print Name:
 Signature:
 Position:
 Date:
 (FXU requests that a minimum of 2 club/soc committee members sign the agreement)

Signed on behalf of the Sponsor
 Print Name:
 Signature:
 Position:
 Date: