



## UNIVERSITY *of* WASHINGTON

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President

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TO: Chancellors, Deans, Vice Presidents, and Vice Provosts

FROM: Michael K. Young *mw*

SUBJECT: **Guidelines for Support of Outside Organizations and Special Events**

University units often consider spending money or providing support to outside events and organizations through various means, including:

- buying tickets or a table to support an event
- becoming a dues-paying member of an association
- making a gift

All units are to use the guidelines in this memorandum in deciding when such actions are appropriate, how they may be taken, and the sources of funds that may be used.

### 1. **Tickets, Tables, and Sponsorships**

As a public entity, the University will not generally purchase tickets, or “buy tables,” or provide other support for outside events. These activities are done only when they will advance a clear institutional mission or business purpose. Special considerations for these decisions include the following.

#### **a. Community Charitable Events Where the University has a Strong Interest.**

University units may purchase tickets, or a table, or provide other support for community events in which the University has a strong constituency interest, including banquets:

- honoring a major UW donor;
- honoring a member of the Board of Regents, employee or student; or
- other events in which the University has a strong constituency interest.

Even when support for such an event serves a University interest, the amount of the financial commitment should be carefully considered and scaled to the institutional value. Arrangements for such expenditures must be approved in advance of the event by the President, the Provost, or the appropriate chancellor, dean, vice president, or vice provost.

- #### **b. Regional or National Organization Events.**
- In some instances, individual colleges and departments have integral working relationships with regional or national organizations. Use of University funds to participate in activities or events sponsored by these entities is subject to the prior approval of the President, the Provost, or the appropriate chancellor, dean, vice president, or vice provost. In general, the President and Provost will not

provide central budget support from their offices for discipline-targeted conferences and symposia, except in cases in which the impact is institution-wide.

- c. Commercial Sponsorship.** UW units may use funds under their control to enter into commercial sponsorship arrangements where they are justified by the business value derived from associated advertising or marketing. Commercial sponsorship arrangements are a common form of marketing involving the payment of money in exchange for access to the commercial potential associated with an event, a person, or a property. In addition to general publicity (such as signage at a sporting event or on a building, notice in brochures, and recognition in programs and announcements), such sponsorship may also buy traditional advertising, special access to certain marketing representatives, tickets to events and forums where UW information can be shared, and other defined products. In considering whether to enter into a commercial sponsorship, University units should apply the same business considerations they use for other purchases of goods and services, asking:

- Would this sponsorship advance the University's mission?
- Will the UW receive definable value in exchange for its money? (Look for such things as: advertising, event signage, program content, event tickets, facility usage, etc.)
- What are the risks of failure to deliver the promised value or negative publicity and are the risks acceptable?
- Will the transaction be properly documented (e.g., with an agreement showing the benefits to the UW)?

Assuming this type of sponsorship otherwise makes sense, particular attention should be paid to the documentation. Sometimes the sponsored organization will be inclined to thank its sponsors for their "donations" or in other ways imply that the University's sponsorship payment is a "gift." This may be done to show the organization's appreciation for the sponsorship or to support the tax deductibility that may motivate some private sponsors, but it can lead to an inaccurate characterization of the University's purposes. The University may not be able to control these statements, but where there are opportunities to avoid or correct them, they should be taken.

- d. Political Fund-Raising Events.** No funds or other resources or facilities of the University may be used to support political candidates or parties or to attend political fund-raising events. Of course, University employees may attend such events at their own expense or as the guests of others (subject to ethics limitations), but institutional funds may not be used.
- e. University Fund-Raising Dinners and Events.** On occasion, individual University departments may determine it desirable to participate in and support another University department's fund-raising event or program. Because such support may involve reallocating to one University unit resources that had been allocated to another, any financial participation should be thoughtfully limited and, where possible, offset by the use of complimentary tickets.

## 2. Memberships

Higher education has dozens of associations, councils, consortia, and other organizations aimed at representing and coordinating various subsets of colleges and universities and their officers, faculties, and academic and business units. Solidarity and shared representation with other like-minded institutions can have advantages as well as costs. The decision to join and continue to be a member of such organizations should be based on an assessment of whether membership would advance the University's mission. If the benefits of membership will depend on active involvement in meetings and seminars or extensive travel or time commitments, these costs should be realistically weighed.

## 3. Floral Offerings for Funeral Services and Special Events

The University occasionally sends floral tributes for the funeral services of prominent donors or others who have made significant contributions to our campus community. With the prior approval of the President, the Provost, or the appropriate chancellor, dean, vice president, or vice provost, individual University units may provide a floral arrangement of modest expense for the funeral service or a special event for a major donor or for someone who has made an extraordinary contribution to our community.

## 4. Gifts

It is a "gift" when money or valuable property is transferred to an individual or organization with the intent to make a *donation*. This is in contrast to purchasing event tickets, advertising, or a membership, where there is a contractual exchange of value between the parties. (Sometimes transactions can be a mixture of purchase and gift.) As a state agency, the University is subject to the state constitution, which generally prohibits gifts of state funds to private entities. In certain instances, the University may make a gift when it is for the support of the poor and infirm, within the scope of delegated authority and consistent with the source of funds used.

The University receives state funds, which include tuition, general operating revenues, and legislative appropriations. Unlike most state agencies, however, the University also receives gifts of private funds (sometimes called "discretionary funds"). These discretionary funds are entrusted to the University by private donors to support purposes that may be broad or narrow, as determined by each donor. These gift funds are not subject to all the restrictions the constitution places on the state funds received from the legislature, tuition and fees, and our UW business activities.

Some University units have access to discretionary gift funds that may be legally used as the source for a gift to an outside organization or person. In deciding whether to do so, such units should thoughtfully consider whether the gift would advance the University's mission, whether making the gift is the best use of the funds, and whether the person who donated the money to the UW would be pleased to learn of the gift.

Note that these concerns do not apply to gifts of UW promotional material or other similar marketing activities.

## 5. Related Issues

- a. **No Tuition Dollars.** No tuition revenues are to be used to support outside organizations or as the source of any gift made by the UW.

- b. Coordination.** In supporting outside organizations and events, it is prudent to take reasonable steps to avoid duplication of efforts between University units. Before committing to purchase tickets, enter into a commercial sponsorship, membership, or make a gift, units should consider and possibly even inquire whether other UW units, or the UW at the institutional level, may have, or may be considering, similar commitments. The offices of the President and the Provost can be very helpful in making these inquiries.
- c. Distributing Premiums and Other Benefits.** When the University receives goods or other benefits (event tickets, meals, etc.) as part of a transaction, units should be sure these items are used or distributed in the same manner as other University assets. Specifically, care should be taken to see that these items are used primarily for the benefit of the University, with only incidental, if any, private benefit for University employees, their spouses, or others. These questions often require a case-by-case examination, but this should include an honest assessment of whether the University employee (and, in some cases, spouses, or others) attending the event will be doing University work at the time. For some events, the purpose of the ticket received by the UW is to get the employee to a place where he or she is expected to perform official duties; the employee's meal and the speeches or entertainment he or she hears are truly incidental to that work. Attending such an event serves a valid University purpose. Where the ticket received by the University is for another type of event, such as attending a concert or a baseball game, a realistic assessment may conclude that the ticket's personal value to an employee would be high, while the University work to be done would be relatively minimal. Under those circumstances, it would be better to distribute the ticket as part of a structured employee award system rather than giving it out by a less formal method.

Thank you for your attention to these guidelines. If you have any questions concerning their application to a particular situation, please feel free to contact my chief of staff, Jack Johnson.