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Sponsorships for CU-Hosted Events [1]

In Brief

- A qualified sponsorship occurs when a third party provides money, services, or other support for a CU event or activity without receiving substantial return benefit from CU.
- When a promotional benefit received by the sponsor exceeds mere acknowledgment of support, the fair market value of the promotional benefit is considered advertising income to CU, which may result in unrelated business income tax (UBIT).
- If a CU organizational unit is interested in sponsoring an external entity, they should refer to the Administrative Policy Statement Donations [2].

Quick Look

Procedural Statement - *effective date: 09/29/2026*

Introduction

The University conducts various activities - such as conferences, workshops, official functions, and fundraising events - at which organizational units may offer opportunities for corporate or individual sponsors to help underwrite costs associated with the activity. The following procedures set forth requirements for accepting, acknowledging, depositing, and documenting these sponsorships.

Sponsorship Review and Approval

Receiving sponsorships

A sponsorship is corporate or individual support (e.g., payments, gifts-in-kind, services) provided to a CU activity, program, or event. In exchange for this support, CU generally will provide acknowledgment/recognition of the sponsor at the event and/or in event-specific materials.

- Sponsorships generally follow the Internal Revenue Service (IRS) guidelines for “Qualified Sponsorship Payments.” There is no arrangement or expectation that the sponsor will receive any substantial return benefit other than use/acknowledgment of the sponsor’s name, logo, and/or product lines in connection with the CU activity, program,

or event.
- Such use/acknowledgment does not include advertising the sponsor’s products or services – including messages containing qualitative or comparative language, price information, or other indications of savings or value, an endorsement, or an inducement to purchase, sell, or use such products or services.

Unrelated Business Income Tax

When CU’s income-producing activities fall outside of its tax-exempt mission-related purposes (instruction, research, public service, and health care), they may be subject to a federal and state income tax known as Unrelated Business Income Tax, or UBIT.

- If CU provides return benefits for the sponsorship – such as sponsor advertising in CU publicity materials (e.g., text or language promoting the sponsor’s business) – this could potentially fall under the category of income subject to UBIT for the organizational unit receiving the sponsorship.
- Note that *substantial* return benefit is any benefit other than acknowledgment of the sponsorship. All benefits are disregarded if the aggregate fair market value of those benefits provided to the sponsor is not more than 2% of the amount of the sponsorship payment.

Approval requirements

All proposed sponsorships and related publicity materials must be reviewed and pre-approved by the appropriate campus controller’s office (for contact information see under Questions, below) to identify if potential sponsorship benefits will incur UBIT.

Sponsorships and Unrelated Business Income Tax

When the promotional benefit received by the sponsor exceeds mere acknowledgement of the sponsor, then this creates advertising income to the University. This advertising income, in turn, can result in Unrelated Business Income Tax (UBIT) for the University since advertising does not fall within the education and research mission of most organizational units at the University.

The following types of sponsorships **will not** result in UBIT. This is not an all-inclusive list.

- Visual display of sponsor name/sponsor logo on items such as the event web page, invitations,flyers,brochures,eventprogram,banners,banquettablesignage,ordisplay monitor screens.
- Verbal recognition of the sponsor at the
- Value-neutral descriptions of the sponsor's product whether in a print, broadcast, or internet medium (that is, the descriptions do not contain qualitative or comparable language/description,price,orcalltoactiontouseorpurchasethesponsor'sproducts or services).
- A hyperlink on a CU event webpage to a sponsor's website and nothing

The following types of sponsorships **may** result in UBIT. This is not an all-inclusive list.

- Advertising message or other material that contains qualitative or comparative language, price information/other indications of savings, or value associated with a product or service, e.g., Sponsor has the best selection of shoes in Colorado; Sponsor is the #1 brunch spot in the city; preferred vendor for the Colorado Buffaloes.
- An endorsement or inducement, and/or a call to action, to purchase, sell, or use the sponsor's company, service, facility, or product, e.g., Sponsor software preferred by CU students and faculty; Students - Don't miss sponsor's HUGE tent sale this weekend; Sponsor's URL weblink to a product sales page; Sponsorship information in publications other than the event publicity materials (such as in a quarterly newsletter or periodical that is unrelated to the event).

Acceptance and Deposit

In return for their sponsorship, the company/individual receives the benefits accorded to them as listed on the sponsorship agreement or associated with the articulated support levels (e.g., platinum, gold, silver sponsorships).

CU must issue a thank-you letter to the sponsor and describe what was provided (cash amount; description of noncash items (do not present a value); description of services (do not present a value). There should be no mention of the University's 501(c)(3) status or tax identification number. The word "donation" should not be used. The letter should also identify the event associated with the sponsor and indicate that no goods or services were provided in connection to the sponsorship. For assistance in determining insubstantial or substantial return benefit for an event, contact the appropriate campus controller's office (for contact information see under Questions, below).

When accepting a sponsorship and depositing the payment:

- Payment should be made payable to the Regents of the University of Colorado. If a sponsorship involves a contractor related Letter of Agreement (LOA)mustbe reviewed and signed by the appropriate campus controller's office (for contact information see under Questions, below).
- The sponsorship payment is generally deposited as revenue into a University SpeedType, using an unrestricted fund (e.g., Fund 20, Fund 29) and Account 325119 (MiscellaneousRevenue-Sponsorships).

Special Considerations

University of Colorado Foundation (CU Foundation)
The CU Foundation may accept sponsorship monies on behalf of the University. Generally, University Development staff would solicit these sponsorships for an organizational unit event, with intent to deposit to the CU Foundation. If the CU Foundation is accepting a sponsorship payment and issuing the gift tax receipt, it is the responsibility of Development and

organizational unit staff to communicate to and coordinate with the CU Foundation, any gift/non-gift components of the sponsorship payment for proper gift tax receipt acknowledgement. Multi-year sponsorship agreements are more appropriately handled by the CU Foundation.

Fundraising Events

Sponsorship support is typically recognized as a gift if being received at a fundraising event where all revenue is handled as gifts. When accepting a sponsorship as a donation and depositing the payment:

- Payment should be made payable to the Regents of the University of Colorado.
- Fundraising event sponsorships must be deposited in the Gift Fund (Fund 34) SpeedType set up specifically for the event. Follow regular campus procedures for depositing gift revenues; use Account 240411 (Revenues/Sponsorships).
- It is the responsibility of the organizational unit to document, in the Description Section of the Cash Receipt form, the fair market value (or non-gift amount) that the sponsor received relative to the sponsorship payment. This information is required for accurate issuance of gift tax receipts.

Schools of Dental Medicine, Medicine, Skaggs School of Pharmacy and Pharmaceutical Sciences, College of Nursing, Colorado School of Public Health, Graduate School, and the Health Sciences Library at CU Anschutz

CU Anschutz organizational units must follow compliance rules and regulations that restrict industry partnerships.

- CU Anschutz has adopted more restrictive policies to govern and guide interactions with pharmaceutical and medical device companies. For specific information, refer to both Procedures for Evaluating Conflicts of Interest and Commitment, eff. August 11, 2014, and the Office of Regulatory Compliance, at 303.724.1010.
- Industry support for Continuing Medical Education courses is governed by separate University and national guidelines. For information, contact the Office of Continuing Medical Education at 303.724.3552.

Athletics, University of Colorado at Boulder

Learfield Sports Media/Buffalo Sports Properties administers sponsorship agreements for the Athletic Department at the Boulder Campus. For information and specific guidance, contact the Office of Athletics Business Affairs.

Athletics, University of Colorado at Boulder and University of Colorado at Colorado Springs - NCAA Compliance and Other Sponsorships

University Athletic Departments have additional compliance rules and regulations that govern their operations. For information and specific guidance, contact the appropriate campus Athletics Compliance Office.

Questions

Contact the appropriate campus controller’s office. As noted on our Campus Controller's (Finance) Offices webpage [3], the designated campus contacts are:

- CU Boulder: salestax@colorado.edu [4]
- CU Denver | CU Anschutz: Finance.AccountingHelp@ucdenver.edu [5]
- UCCS: acctfinc@uccs.edu [6]
- CU System: fss@cu.edu [7]

Revision Log

- Updates 10/1/2026: Updated definitions, clarified campus controller involvement in review and approval process, added campus contact details.
- Updates 4/1/2025: Changed exception authority from Associate Vice President & University Controller to Director of Tax, with requests for exceptions to be submitted through the appropriate campus controller's office.
- Accounting Handbook Sponsorships Procedures published dated 9/15/2011.

Exceptions

Unless approved by the Director of Tax in the Office of University Controller, there are no exceptions to this procedural statement. Requests for exceptions must be submitted through the sponsorship expert team at the appropriate campus controller's office – for contact information see under Questions, above.

Groups audience:
Controller
Right Sidebar:
AH Sponsorships CTA Side
AH Sponsorships Resources
OUC-Where Policies

Source URL:https://www.cu.edu/controller/procedures/accounting-handbook/sponsorships-cu-hosted-events

Links
[1] https://www.cu.edu/controller/procedures/accounting-handbook/sponsorships-cu-hosted-events
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