

Advertising & Corporate Sponsorship Policy

Statement of Policy

Braddock Road Youth Club (BRYC) welcomes corporate sponsorship and advertising with its affiliate sports programs when such sponsorship and/or advertising promotes the club's mission, is consistent with the club's purposes, and is otherwise in the best interests of the community.

The club does not endorse, directly or by implication, any products, services or ideas advertised except those sponsored directly by the club.

Purpose of Policy

As a youth sports organization, BRYC seeks to provide an educational environment in which teaching and learning can occur relatively free from the pervasive messages of the broader commercial society. The advertising and corporate sponsorship policy is designed to guide decision-making for club personnel who are approached by external advertisers or sponsors who want to advertise their products to the community and for sports programs seeking supplemental revenue to support youth activities from external advertisers or sponsors. The policy also is designed to be mindful of the club's status as a nonprofit organization under the law.

Procedures

Corporate Sponsorship

Individual sports programs, including those who operate as independent teams within the sports program, must adhere to this policy when engaging in corporate sponsorships. The Board of Directors reserves the right to review and reject corporate sponsorship agreements that individual sports programs are entertaining. To the extent that corporate sponsorships are charitable contributions by IRS definition, sports programs must provide a receipt at the time of contribution, indicating that no goods or services were given in exchange for the contribution.

To be considered a contribution, a corporate sponsorship payment must include all of the following characteristics:

- A payment received from a business or commercial enterprise,
- A printed or other acknowledgment of the business or commercial enterprise from the club (e.g. included on a sports scoreboard, banner, or other display),
 - It is highly encouraged that all sports programs and teams use the BRYC standard acknowledgement letter
- The acknowledgment may not contain:
 - The club's endorsement of the business entity or its products or services, or
 - any qualitative or quantitative language about the business entity's products or services (e.g. statements or information about the quality or prices of products or services), or
 - any information other than business name, logo, address, telephone and/or Internet address

- The payment received may not be from a vendor as part of an exclusive provider arrangement between the club and that vendor.

If the above characteristics are not all met, then the payment is considered advertising revenue according to tax laws and regulations (see tax implications below).

Advertising

To ensure the club's compliance with applicable tax laws and regulations, the responsible sports commissioner is required under this policy to notify the BRYC Treasurer about advertising activity if any of the following conditions exist:

- A publication is issued more frequently than once per year and it contains advertising,
- A substantial part of any sports volunteer job is devoted to selling advertising,
- The club enters into an exclusive provider contract with a vendor and the vendor will make one or more payments to the club.

Revenues received are to be classified as advertising revenues, if the transaction has any of the following characteristics:

- An endorsement by the club of the business or commercial enterprise or its products or services.
- Qualitative or quantitative language about the business or commercial enterprises' products or services.
- An exclusive provider arrangement exists between the club and a vendor and the vendor makes a payment to the club.

Advertising revenues earned by the club are currently subject to Virginia State and City of Fairfax B&O tax and should be classified as miscellaneous service revenue.

Net income from advertising revenue (e.g. advertising revenue less related expenses) is currently subject to federal UBIT if any of the following conditions exists:

- The publication is issued more frequently than once per year.
- A substantial portion of any employee's job is devoted to selling advertising.
- The revenues generated are from a payment(s) where an exclusive provider arrangement exists between the vendor and the club.

Responsibilities

The sports commissioners are responsible for approving or disapproving advertising and corporate sponsorship in their athletic programs and athletic venues. The sports commissioners must adhere to this policy on corporate sponsorship and advertising.

The Board of Directors is responsible for approving or disapproving corporate sponsorship of BRYC, Inc. The Board of Directors may review, at their discretion, corporate sponsorship with individual sports to determine on whether the sponsorship meets or fails to meet the Statement of Policy.

Definitions/descriptions/abbreviations

"Advertising" means offering space in a print publication to another party for the purpose of

promoting or marketing any trade or business, or any service, facility or product. Advertising includes 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 any company, service, facility or product.

“Corporate sponsorship” means accepting a contribution from a business or commercial enterprise in exchange for a printed, web page, or other acknowledgment that is limited to only the business name, logo, address, telephone, and/or Internet address.

B&O tax is business and occupations tax.

UBIT is federal unrelated business income tax.

Responsible Manager: Communications Director

Approved by: Board of Directors

Date Originated: 2 April 2009

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Date Last Reviewed: 2 April 2009

Frequency of review: Annually or more frequently as needed.

To whom this policy applies: BRYC Inc., all BRYC sports programs, all BRYC teams