



Corporate Sponsorships/Branding Worksheet and Case Studies

The purpose of this worksheet is to help College Panhellenic officers to think through various pieces of the collaboration/sponsorship process. Use this to delegate responsibilities and ensure the appropriate officer is looped into the conversation.

Step 1 - Foundational Requirements		
Requirement	Responsible Officer	Completed
The College Panhellenic is aware of all university contract requirements.		
The College Panhellenic is properly registered with the proper tax authorities.		
The College Panhellenic's bylaws clearly indicate who has authority to sign contracts for collaborations and sponsorships.		
Step 2 - Community Considerations		
The sponsorship/collaboration aligns with the purpose of promoting the sorority experience.		
The sponsorship/collaboration is aligned with the values and culture of our individual campus community.		
Step 3 - Income Safeguards		
An estimate of potential UBI is accounted for at the beginning of the year and tracked as it's executed.		
All income will benefit the entire community and no individual member(s) or officer(s) are receiving an individual benefit.		



Corporate Sponsorships/Branding Case Studies

Example 1 - Art of Advertising

With hopes of reducing recruitment registration fees, the College Panhellenic Association sells advertising in its electronic recruitment guide to local businesses. Single advertisements cost \$500-2,000, and the guide is available to PNMs and their caregivers. The local community is very supportive and a variety of boutiques, hotels, restaurants and other establishments participate in hopes of gaining new customers. The College Panhellenic Association earns \$65,000 from the advertisements.

Implications: Whether this is acceptable depends on the facts. How much of the Panhellenic's annual gross receipts is represented by the ad sales? Is it more or less than 35%? Remember, a 501(c)(6) nonprofit needs to bring in most of its revenue from membership dues or participation. UBI exceeding 35% could trigger an IRS investigation.

Example 2 - The Touch-Up Salon

Pretty Pink, a national retail outlet for a variety of make-up, hair and skin care products, and the College Panhellenic Association partner on a temporary touch-up salon on Sorority Row during Panhellenic Recruitment. The highly "logo'd" salon will be stocked with products and will be available to PNMs at no charge between recruitment rounds to help with hair and make-up touch-ups. The Panhellenic Association receives a \$10,000 partnership payment.

Implications: The payment to the Panhellenic Association is UBI and will count towards annual gross receipts. Given the size of the payment, it is critical that they track advertising payments and ensure they do not exceed the 35% threshold. There is no impact on the individual PNMs.

Example 3 - It's Always Sunny During Recruitment

A box of trendy luxury sunglasses is shipped to the Panhellenic Association in advance of recruitment week. The glasses are a gift and there are no strings attached (no specific ask from the retailer for promotion). The Panhellenic decides to produce a TikTok video with officers wearing the glasses during recruitment and thanks the retailer, but does not endorse their product.

Implications: There is no payment for services, so it likely does not indicate UBI. If the individual officers keep the glasses, this could be viewed as a private benefit, thereby putting the college Panhellenic's tax-exempt status at risk.



Example 4 - The Influencer

Patty Panhellenic, a collegiate member on your campus, is a social media influencer earning an income and free products in exchange for her posts, tags and endorsements. Patty receives designer boots from a boot retailer, valued at \$600, in exchange for her endorsement on her social media account. The College Panhellenic Association reposts Patty's video on its account.

Implications: Patty has taxable income from the receipt of the boots, but her actions alone create no risk for the College Panhellenic Association. Nor does this count as revenue for the College Panhellenic Association. There could be a potential private benefit to Patty, risking the Panhellenic's tax-exempt status, if Patty receives increased traffic and additional personal gain because of the Panhellenic's action, such as the Panhellenic sharing her sponsored posts from their official account.

Example 5 - Sorority Soda

A soda company provides its product, personalized with logos and trademarked insignia, to chapters for use during recruitment. The soda company paid royalties to the national organizations of each chapter for the use of the logo on personalized products. The soda company asks for nothing from chapters or the Panhellenic Association.

Implications: Payment for the use of the logo would constitute unrelated business income for the national organization, but the College Panhellenic Association is not involved in the transaction and therefore there is no impact.

Example 6 - Tracking Troubles

State College Panhellenic Association hosts a large primary recruitment each Fall and often receives invitations to collaborate with brands due to a heavy social media presence during their recruitment. The Panhellenic executive board regularly signs contracts and enters into brand partnerships to help subsidize the cost of primary recruitment. However, the executive board does not track the amount of money the agreements, which are unrelated business income, generate throughout the year. Following officer transitions in the Spring, the new executive board signs a large sponsorship agreement, putting them at 55% UBI for the year.

Implications: Because there was a failure to plan for and track UBI throughout the year, the College Panhellenic is now at risk of IRS investigation and of losing its 501(c)(6) status. This would result in them having to pay taxes to the state and federal government.