



UT System Administration Policy Library – Policy UTS122 Guidelines for Web Site Solicitations

Responsible Officer: Executive Vice Chancellor for Business Affairs

Sponsoring Office: Office of General Counsel

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POLICY STATEMENT

The guidelines contained in this policy are adopted in accordance with the Board of Regents' *Rules and Regulations* Rule 80103, which section permits Web Site Solicitations as provided below:

“The placement on a UT Web Page (as defined below) of textual and graphic information and a hypertext link to the Web site of a person or entity for which UT System or an institution may receive revenue or avoid costs as a result of the permitted solicitation (“Web Site Solicitation”). Web Site Solicitations shall be placed on UT Web Pages in accordance with guidelines promulgated by the Executive Vice Chancellor for Business Affairs. A UT Web Page is a page created or maintained by or on behalf of UT System or an institution or an office, department, or division of UT System or an institution, and located within UT System’s or the institution's information technology environment.”

RATIONALE

The rule is designed to provide broad authorization for the placement of hypertext links to other Web sites from UT Web Pages, in accordance with UT System and institution guidelines that set forth the restrictions necessary to preserve the space so created for its intended purpose of acknowledging sponsorship, generating revenue or avoiding costs.

SCOPE

All institutions and UT System Administration

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utsystem.edu/policy/policies/uts122.html>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies & Standards	Other Statutes, Policies & Standards
<ul style="list-style-type: none"> • UT System Trademark Licensing • UTS103, Unrelated Business Income Tax • Regents' Rules and Regulations, Rule 80103 	

CONTACTS

If you have any questions about UT System Administration Policy UTS 122, *Guidelines for Web Site Solicitations*, contact the following offices:

Subject	Office Name	Telephone Number	Email/URL
	Office of General Counsel	512-499-4462	ogc_intake@utsystem.edu http://www.utsystem.edu/ogc/

DEFINITIONS

Three types of Web Site Solicitations:

1. Unpaid: A logo or identifier with a hypertext link to the person or entity's Web site, placed on a UT Web Page without remuneration. Examples include, but are not limited to, a hypertext link to the Web site of a person or an entity (1) that provides access to free software tools required to facilitate access by employees and students to information on a UT Web Page, such as, but not limited to, Web browsers and text readers and viewers; (2) that participates in official institution placement office activities; or (3) for the purpose of providing authorized vendor information to offices and employees who are authorized to make purchases for UT System or an institution.

2. Sponsorship Acknowledgments: A logo or identifier with a hypertext link to a person or entity's Web site, placed on a UT Web Page to acknowledge the person or entity's donation of services or products or financial or research support to UT System or

to an institution or a college, department, unit, center, institute or program of such institution.

3. Paid Advertising: A logo or identifier with a hypertext link to a person or an entity's Web site placed on a UT Web Page in exchange for remuneration, where the placement is intended to promote a service, facility, or product offered by the entity for a commercial purpose.

RESPONSIBILITIES

Office of Business Affairs

- Approves web site solicitation content

Office of General Counsel

- Approves legal matters related to web site solicitations

UT System

- Avoids any promotion or marketing of the sponsor in the text of the acknowledgment.

UT Institution

- Avoids any promotion or marketing of the sponsor in the text of the acknowledgment.

Office, Department or Auxiliary Enterprise Receiving Payments for Sponsorship Acknowledgment

- Reports income from payments for sponsorship acknowledgements to the UT System Office of the Controller and establishes the fair market value of any return benefit to the sponsor.

PROCEDURES

Restrictions:

In General: All information set forth in any Web Site Solicitation shall be factual and shall be approved and displayed pursuant to policy guidelines of UT System or the institution, as applicable, approved as to content by the UT System Office of Business Affairs and as to legal matters by the UT System Office of General Counsel. Policy guidelines must indicate to whom the guidelines apply; who is authorized to contract for and approve Web Site Solicitations; where they may be placed; what information they may contain, including but not limited to under what circumstances a call to purchase a product or service is appropriate; to which Web pages of a sponsor or advertiser a link may lead; approved forms of acknowledgment; the maximum length of the term of an agreement obligating UT System or an institution to display a logo and a link; and other information necessary for compliance with the restrictions set forth herein.

No Web Site Solicitation statements may state or imply UT System or institution endorsement of the goods, products or services offered by a person or an entity. Any use of UT System or institution trademarks in connection with commercial information shall be in compliance with the UT System Trademark Licensing Policy and either approved by, or in a format approved by, the Director, Trademark Licensing. Some uses may require a license from the trademark-licensing agents of the Board, as appropriate.

Unpaid Web Site Solicitations

Unpaid Web Site Solicitations may only be placed on a UT Web Page if the product or service is clearly related to the mission of UT System or the institution, is relevant to the UT Web Page content, and conforms to all applicable guidelines of UT System and the institution.

Sponsorship Acknowledgments and Paid Advertising

Sponsorship Acknowledgments and Paid Advertising are two separate categories of Web Site Solicitation designed to facilitate either UT System or institution sponsorship acknowledgment, fund raising, or cost avoidance. The restrictions placed on these categories are vital to achieve the purpose of acknowledging sponsorship, generating revenue or avoiding costs. Neither of these categories is intended to offer to any segment of the public a forum for the discussion of controversial issues or the promotion of political candidates; on the contrary, it is the UT System's intent to remain neutral on political, religious and other controversial issues. These opportunities are intended solely to serve the business needs of the UT System and its institutions to acknowledge sponsors, generate revenue to pay for programs or avoid costs. Any use of Sponsorship Acknowledgments or Paid Advertising that does not conform strictly to these restrictions will be subject to cancellation.

The text of a Sponsorship Acknowledgment may not promote any service, facility or product offered by the donor or sponsor; include an expression of the views of the sponsor or any person associated with the sponsor with respect to any matter of public importance or interest; or support or oppose any candidate for political office.

Sponsorship Acknowledgments may consist only of an acknowledgment by UT System or an institution of a gift from, or sponsorship of an activity by, the donor. All Sponsorship Acknowledgments shall be appropriate in size, content and placement in relation to the assistance and support given to UT System or the institution by the donor. Sponsorship Acknowledgments primarily associated with the following services, facilities or products will not be permitted: cigarettes or other tobacco products; gambling services or venues; sexual services and adult entertainment venues; alcohol; or firearms.

Unrelated Business Taxable Income:

Advertising income is always taxable as unrelated business income, whereas a donation to sponsor an activity may or may not be taxable. Income attributable to a sponsorship will be tax-free so long as the sponsor does not receive return benefits, other than use and acknowledgment, having a fair market value of more than 2% of the donation. Examples of return benefits include advertising, exclusive provider arrangements, goods, facilities, services or other privileges, and exclusive or nonexclusive rights to use a trademark, patent, logo, or designation of UT System or an institution.

Effective for payments solicited or received after December 31, 1997, the Internal Revenue Service has issued final guidance with regard to the taxation of income from sponsorships, including the treatment of hyperlinks to a sponsor's Web site. Hyperlinks to a sponsor's Web site will constitute an acknowledgment rather than advertising so long as the hyperlink does not contain an endorsement, price information and comparisons, or inducements to buy, sell or use a sponsor's products facilities or services. A single message that contains both advertising and an acknowledgment is advertising. A link that by itself is not advertising, but leads to an endorsement, promotion, price information or comparison, or inducement to buy, sell or use the sponsor's business, products, facilities, or services on the sponsor's Web site, will cause the payment from the sponsor to be classified as advertising; and, unless UT System or the institution establishes that the amount of the sponsorship payment exceeds the fair market value of the advertising, all of the payment will be taxable as unrelated business taxable income.

To minimize the possibility that income attributable to Sponsorship Acknowledgments containing links will have to be characterized as unrelated business taxable income, UT System or the institution should avoid any promotion or marketing of the sponsor in the text of the acknowledgment. Examples of phrases to avoid include, but are not limited to, "Give them a call today," "Visit our Web site" and "Now, just ten cents a minute." Also, the link should be only to the sponsor's home page or other non-promotional page. UT System or the institution should attempt to avoid linking to pages on which products or services are offered for sale.

Any office, department or auxiliary enterprise receiving payments for Sponsorship Acknowledgments with links to the sponsor's Web site or payments for Paid Advertising should report that income to the UT System Office of the Controller and establish the fair market value of any return benefit to the sponsor. The report to the Office of the

Controller may be made through proper channels as established by UT System or the institution to consolidate the reporting of such activities and in accordance with [UTS103](#) Unrelated Business Income Tax.

FORMS AND TOOLS/ONLINE PROCESSES

None

APPENDIX

None

Keywords: web, solicitations, links, ads, advertising, web advertising, unrelated business income tax, UBIT
