

1. Title

Guidelines for Web Site Solicitations

2. Policy

Sec. 1 Purpose. The purpose of this Policy is to provide broad authorization for the placement of hypertext links to other web sites from U. T. System web pages, in accordance with U. T. 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.

Sec. 2 Policy Statement. The guidelines contained in this Policy are adopted in accordance with the Board of Regents' *Rules and Regulations*, Rule 80103, Section 2.24, that permits Web Site Solicitations as provided below:

“The placement on an institution web page (as defined below) of textual and graphic information and a hypertext link to the web site of a person or commercial entity for which the U. T. System or any of the institutions may receive revenue or avoid costs as a result of the permitted solicitation (“Web Site Solicitation”). Web Site Solicitations shall be placed on institution web pages in accordance with guidelines promulgated by the Executive Vice Chancellor for Business Affairs. An institution web page is a page created or maintained by or on behalf of an institution or an office, department, or division of an institution, and located within an institution's information technology environment.”

Sec. 3 Restrictions.

3.1 General. All information set forth in any Web Site Solicitation shall be factual and shall be approved and displayed pursuant to policy guidelines of U. T. System or the institution, as applicable, approved as to content by the U. T. System Office of Business Affairs, and as to legal matters by the U. T. 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; and 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 U. T. System or an institution to display a logo and a link; and

other information necessary for compliance with the restrictions set forth herein.

- 3.2 No Endorsement Allowed. No Web Site Solicitation statements may state or imply U. T. System or institution endorsement of the goods, products, or services offered by a person or an entity. Any use of U. T. System or institution trademarks in connection with commercial information shall be in compliance with the U. T. System Trademark Licensing Policy and 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 of Regents, as appropriate.
- 3.3 Unpaid Web Site Solicitations. Unpaid Web Site Solicitations may only be placed on a U. T. System web page if the product or service is clearly related to the mission of U. T. System or the institution, is relevant to the U. T. System web page content, and conforms to all applicable guidelines of U. T. System and the institution.

Sec. 4 Sponsorship Acknowledgments and Paid Advertising.

- 4.1 Restrictions on Endorsements. Sponsorship Acknowledgments and Paid Advertising are two separate categories of Web Site Solicitation designed to facilitate either U. T. System or institution sponsorship acknowledgment, fundraising, 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 U. T. 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 U. T. 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.
- 4.2 Sponsorship Acknowledgement. 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 U. T. 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 U. T. 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.

Sec. 5 Unrelated Business Taxable Income.

- 5.1 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 U. T. System or an institution.
- 5.2 IRS Guidance. 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 if 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 will constitute 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 U. T. 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.

- 5.3 Phrases to Avoid. To minimize the possibility that income attributable to Sponsorship Acknowledgments containing links will have to be characterized as unrelated business taxable income, U. T. 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 nonpromotional page. U. T. System or the institution should attempt to avoid linking to pages on which products or services are offered for sale.
- 5.4 Reporting of Taxable Income. 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 U. T. 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 U. T. System or the institution to consolidate the reporting of such activities and in accordance with [UTS103, Unrelated Business Income Tax](#).

3. Definitions

Three types of Web Site Solicitations:

1. Paid Advertising - A logo or identifier with a hypertext link to a person or an entity's web site placed on a U. T. System 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.
2. Sponsorship Acknowledgments - A logo or identifier with a hypertext link to a person or entity's web site, placed on a U. T. System web page to acknowledge the person or entity's donation of services or products or financial or research support to U. T. System or to an institution or a college, department, unit, center, institute, or program of such institution.
3. Unpaid - A logo or identifier with a hypertext link to the person or entity's web site, placed on a U. T. System 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 U. T. System 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 U. T. System or an institution.

4. Relevant Federal and State Statutes, Policies, and Standards

None

5. Relevant System Policies, Procedures, and Forms

[U. T. System Trademark Licensing](#)

[UTS103, *Unrelated Business Income Tax*](#)

[Regents' Rules and Regulations, Rule 80103](#)

6. System Administration Office(s) Responsible for Policy

Office of General Counsel

7. Dates Approved or Amended

October 9, 2002

June 7, 2010

November 21, 2012

8. Contact Information

Questions or comments about this policy should be directed to:

- bor@utsystem.edu