

Institute for Public Service Procedure: FIN436–IPS Sponsorship of External Non-Profit Organizations	
Version:0001	Effective Date: 1/15/2024

Sponsorship of External Non-Profit Organizations

SECTION 1. Procedure Statement

I. Generally

- A. In certain circumstances, IPS may sponsor non-profit events, programs, or initiatives when these are consistent with, and further IPS' mission.
- B. IPS Agencies are not required to sponsor external non-profit organizations.
- C. This procedure addresses charitable non-profit organizations (501(c)(3) organizations) and does not apply to transactions with accreditation organizations, other government agencies, regulatory agencies, or utility companies.

II. Financial Donations Prohibited

- A. Tennessee law and University System-wide Fiscal Policy FI0436 do not allow the University to make financial (cash or cash equivalent) donations to non-profit organizations. Accordingly, IPS must not make financial donations to non-profit organizations.
 1. A donation involves the University providing a financial (cash or cash equivalent) contribution to a non-profit organization without the non-profit providing something to the University in return.
 2. A sponsorship involves the University receiving something in return for providing payment to the non-profit organization (for example, a table at an event or recognition in publications, or both).

III. Non-Profit Organizations Eligibility Requirements

- A. Before approving a request to sponsor a non-profit organization, the Executive Director must determine whether the non-profit organization and the event that the IPS Agency wants to sponsor are consistent with a legitimate Agency-business purpose, such as enhancing the Agency's overall mission, reputation, or image; building strategic relationships in the community; or providing support to a non-profit organization to foster civic engagement, consistent with the Agency's mission and goals.

IV. Amount

- A. To determine whether a sponsorship amount is reasonable, Executive Directors will consider:
 1. their previous sponsorships of non-profit organizations (if applicable);
 2. whether the amount is similar to the amounts that other organizations would provide to the non-profit organization for the same event or for the same purpose (such as sponsorship of a table at a lunch or dinner event);
 3. the overall impact of the Agency's sponsorship in furtherance of the Agency's mission; and
 4. any other relevant factors.

- V. **Source of Funds**
 - A. Generally, departments must utilize restricted funds (e.g. gifts) for sponsorships of external non-profits.
 - B. Agencies may utilize general unrestricted funds only in cases where:
 - 1. IPS/the Agency is a member of the non-profit; or
 - 2. The sponsorship supports an activity in which the Agency is directly involved.
 - C. Agencies must not utilize grant funds to sponsor external non-profits unless specifically approved in writing by the sponsor.
- VI. **Compliance with System wide Policies**
 - A. Agencies must comply with all other applicable policies, including without limitation, FI0436 (Sponsorship of External Non-Profit Organizations), FI0405 (Procurement), and FI0420 (Contracts) when making sponsorships to external non-profits.
- VII. **Required Approvals**
 - A. Agencies will present a list of external non-profits they wish to sponsor in the next fiscal year, total amounts for the year, and the source of funds, as part of their annual proposed budget hearings. If an Agency wants to sponsor an event or a non-profit that was not originally included in the proposed budget, it must obtain prior written approval from the Vice President or designee. When more than one IPS Agency proposes to sponsor the same external non-profit, potential collaboration should be explored. Agencies may not sponsor an external non-profit more than \$5,000/event or \$10,000/fiscal year unless the Agency obtains prior written approval from the Vice President or designee.
 - B. Please refer to the most recent version of FI0436 for information on the GL code that must be used, and the documentation required in the ERP system.

SECTION 2. Reason for the Procedure

System wide Fiscal Policy FI0436 on Sponsorship of External Non-Profit Organizations requires campuses and Institutes to issue a procedure under such policy to provide guidance to IPS Agencies regarding their ability to sponsor non-profit organizations.

SECTION 3. Scope and Application

This policy applies to all IPS Agencies.

SECTION 4. Definitions

N/A

SECTION 5. Penalties/Disciplinary Action for Non-Compliance

Providing sponsorship to an external non-profit organization in violation of this procedure might violate state law and might subject the individual university staff member to adverse human resource actions, up to and including termination.

SECTION 6. Responsible Official & Additional Contacts

All IPS Agencies

Subject Matter	Office Name	Telephone Number	Email/Web Address
Procedure Clarification and Interpretation	Rumira Xhaferaj	865-974-0968	rumira.xhaferaj@tennessee.edu

SECTION 7. Procedure History

Revision 1:

SECTION 8. Related Policies/Guidance Documents

FI0405 (Procurement)

FI0420 (Contracts)
