

A Practical Policy and Program Guidebook for Navy MWR

Commercial Sponsorship and Partnership Opportunities



Morale,
Welfare &
Recreation

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Chapter 1

COMMERCIAL SPONSORSHIP OR EVENT MARKETING

101. Definition

a. Commercial sponsorship (also referred to as Corporate sponsorship or event marketing), is the act of providing assistance, funding, goods, equipment (including fixed assets), or services from an individual, agency, association, company, corporation, or other entity (sponsor) to a Morale, Welfare and Recreation (MWR) Fund for programs or events. The sponsorship must be established for a specific (limited) period of time ***in return for*** public recognition, advertising, or product promotion.

*Bottom line: There **must** be an equal exchange of value. Without this, the transaction is considered a gift or donation and must be handled in accordance with SECNAV's gift acceptance policies. (See SECNAVINST 4001.2G and OPNAVINST 4001.1D)*

b. Commercial sponsorship of an event does not allow an individual, agency, association, company, corporation, or other entity to give the command a gift or donation. **Solicitation of gifts or donations is prohibited by law and regulation.** Navy Commanding Officers do not have the authority to accept any gift or donation for the Department of the Navy. (Higher acceptance authority is required.)

c. Commercial sponsorship does not include those items considered to be premiums, coupons, or limited samples. *Premiums* are complimentary merchandise items provided to advertise an activity, product, service, or event as a bonus or as an incentive to buy. Examples of premiums are ballpoint pens, plastic rulers, insulated can holders, pins, flags, etc., with a retail value of \$10 or less.

d. Commercial sponsorship does not include volunteer services when recognition or acknowledgement of the volunteer is not expected or required.

e. Commercial sponsorship may be solicited or unsolicited. Solicited sponsorship occurs when the MWR activity specifically asks for assistance from a potential sponsor who is willing to provide support for the mutual benefit of the sponsor and the MWR program and/or event. Unsolicited commercial sponsorship occurs when the sponsorship agreement has been wholly and entirely initiated by the prospective sponsor without prior knowledge of the needs of the MWR program.

102. Authority to Conduct Commercial Sponsorship

DODI 1015.10 authorizes military MWR departments to competitively solicit and accept unsolicited and solicited commercial sponsorships for MWR programs and events only if the DOD component or Military Service has established standards for the implementation of the program. Navy MWR commercial sponsorship guidance is provided in BUPERSINST 1710.11C and this Guidebook.

103. Training Requirements of Commercial Sponsorship Coordinators

a. MWR activities with properly appointed commercial sponsorship coordinators are to ensure that those personnel have the requisite knowledge and training to perform their official duties. Commercial sponsorship coordinators must be aware of the restrictions, limitations, and requirements placed on military MWR activities before entering into commercial sponsorship negotiations with the civilian sector.

b. This training may be developed at the local or regional level as well as training available on the Internet from the MWR Policy and Management Branch of the Navy Personnel Command. In addition to this training, MWR activities are encouraged to ensure commercial sponsorship coordinators remain current on event marketing strategies, commercial sponsorship valuation, and related skills through training offered through workshops, conferences, courses, industry publications, and other opportunities made available in the commercial sector. Without this investment of time, money, and knowledge, the MWR activity's commercial sponsorship program is handicapped and may not reach its optimum potential.

c. Before assuming duties as a command sponsorship coordinator, a prospective coordinator must receive an ethics brief (Standards of Conduct) from the command's Ethics Counselor or Advisor, in addition to one on the principles of solicitation, evaluation of offers, and file documentation.

104. Specific Intent of the Sponsorship Program

a. The specific intent of the sponsorship program is to permit MWR departments to obtain funds to offer events, programs, or services they might not otherwise be able to offer.

b. Sponsorship revenue may *only* be used to promote authorized MWR programs and services. A list of authorized programs and services can be found in enclosure (4) of DODI 1015.10. Sponsorship revenue should not be used to sustain any MWR programs and services that are no longer requested by MWR patrons or cost effective to operate.

105. Who is Authorized to Solicit Commercial Sponsorship

a. **Only the MWR representative(s) of the host installation is authorized to solicit commercial sponsorship.** The MWR Director must designate all MWR Commercial Sponsorship Coordinators and their assistants (in writing) to solicit and accept commercial sponsorship. (An example of an appointing letter is contained in Appendix VII.)

b. Using active duty military members to solicit commercial sponsorship is not encouraged. Before the command designates an active duty military member to act as a commercial sponsorship coordinator or assist the appointed commercial sponsorship coordinator, they should consult the installation's Ethics Advisor. The active duty member should not solicit in uniform. Prospective sponsors must be made aware that there is no preferential treatment for sponsoring an event or retribution for declining to provide sponsorship.

106. Who is *NOT* Authorized to Solicit Commercial Sponsorship

Solicitation or acceptance of commercial sponsorship by anyone other than the authorized MWR representative is contrary to the intent of DOD regulations governing commercial sponsorship, the DOD Joint Ethics Regulations, and SECNAV fundraising guidance referenced above. Therefore, other base departments or organizations (e.g., tenant commands and private organizations such as Chief's or Spouse's Associations) are ***not permitted*** to solicit or accept commercial sponsorships for their programs or events which are held on government property. However, this does not prevent private organizations from sponsoring MWR events or programs.

107. Private Organizations and Commercial Sponsorship

a. Private organizations or non-federal entities are not permitted to solicit commercial sponsorship for on-base activities. However, private organizations may solicit sponsorships for off-base activities as permitted by the Joint Ethics Regulations. Private organizations that want to solicit commercial sponsorship or gifts as fundraising efforts for off-base events must consult with the local Ethics Counselor prior to entering into a commercial sponsorship agreement.

b. Off-Base Private Organizations/Non-Federal Entities. The Navy does not regulate fundraising efforts for activities conducted by off-base private organizations or non-federal entities. However, if the off-base organization is granted permission to hold a fundraiser or other activity on base by the Commanding Officer or Regional Commander, the private organization/non-federal entity must limit their acknowledgement of the sponsor to a short, verbal thank you at the end of the event. The thank you must be accompanied by a disclaimer stating that, "although the event was held on government property, the government in no way endorses any of the private organizations'/non-federal entities' sponsors." The same rules apply if the

private organization/non-federal entity wishes to acknowledge a gift donor. Commanding Officers or Regional Commanders should consult their ethics advisor before granting permission for an off-base private organization to conduct fund-raising activities on the installation.

Chapter 2

SPONSORSHIP RESPONSIBILITIES

201. Designation of Commercial Sponsorship Coordinator and Assistants

a. The MWR Director will designate by name, and in writing, a Commercial Sponsorship Coordinator, i.e., the individual who performs commercial sponsorship duties and represents MWR and the command in **all** commercial sponsorship solicitations.

b. The MWR Director may also appoint full or part-time assistants to support the Coordinator in the performance of his/her duties.

c. Sponsorship solicitation, formal or informal, by any person or organization other than the designated MWR representative is contrary to policy and, **more importantly**, may violate the Joint Ethics Regulations.

d. A businesslike "arm's length" relationship must be maintained between the local command and prospective sponsors to avoid any perception of impropriety.

202. MWR Program Manager's (Event Manager) Responsibilities

a. The MWR Program Manager is responsible for informing the Sponsorship Coordinator of support needed for his/her events and programs.

b. The MWR Program Manager should provide event information including dates, location, expected attendance, and sponsor benefits.

c. Requests for sponsorship should be made at least nine to twelve months prior to the event in order to work the request with potential sponsors. However, if an event does not permit this amount of notification, the Program Manager should submit the request to the Coordinator as soon as the requirement is known.

203. Sponsorship Coordinator's Responsibilities

a. The Sponsorship Coordinator is the designated central point of contact for all commercial sponsorship conducted by the local MWR Department. The Sponsorship Coordinator is responsible for coordinating the direct solicitation for all MWR events and programs, receiving and evaluating unsolicited proposals for sponsorship, executing agreements, follow-up and after action reports.

b. The Sponsorship Coordinator must work closely with MWR Program Managers to develop sponsorship requirements and proposals, assist activity

managers in understanding sponsorship, and to ensure that there is value for the sponsor in the program or event.

c. The Sponsorship Coordinator is also required to compose written agreements outlining the responsibilities of MWR and the sponsoring corporation. The Sponsorship Coordinator must ensure that the written agreements have a legal review and concurrence, as well as the appropriate signatures necessary for the agreement.

d. The Sponsorship Coordinator is also responsible for proper file documentation, including the solicitation proposal, evaluation criteria, photos of the event, and after-action reports. At a minimum, these files must contain the following information: sponsor's name and organization; the type and amount of the sponsor's assistance, goods, equipment, or services provided; and the disposition and use of that assistance, funding, goods, equipment, or services provided within the MWR program.

204. Contracting Officer's Responsibilities

a. To avoid the appearance of conflict of interest, NAF contracting officials will not be directly or indirectly involved in the solicitation of sponsors.

b. NAF contracting officials have no approval authority for sponsorship agreements.

c. Contracting officials may act in an advisory capacity to the Sponsorship Coordinator when creating sponsorship solicitation packages, or developing evaluation criteria.

d. Contracting officials may provide a list of companies currently doing business with Navy MWR.

205. MWR Director's Responsibilities

a. The MWR Director must designate, in writing, the MWR staff member assigned as the Sponsorship Coordinator. This designation may be in the form of a letter of designation, or written in the employee's position description if they are a civilian employee. If the designated Coordinator is military, there must be a letter of designation.

b. MWR Directors should provide oversight and technical guidance to the Sponsorship Coordinator.

c. After review by local JAG or General Counsel, the MWR Director may sign sponsorship agreements if delegated this authority by the Commanding Officer.

d. The MWR Director is responsible for ensuring that all requirements outlined in the agreement are carried out during the program or event.

206. Staff Judge Advocate/Office of General Counsel's Responsibilities

a. All sponsorship agreements require legal review and concurrence. The local Staff Judge Advocate (SJA)/Office of General Counsel (OGC) should assist the Sponsorship Coordinator in developing an agreement template and act in an advisory capacity in the areas of ethics and standards of conduct.

b. The Commercial Sponsorship Coordinator and the SJA/OGC legal reviewer may reach an agreement on standard agreements that need not be reviewed for each individual agreement. For example, if there is a long standing relationship with one of the sponsors and the only thing that will change is the consideration, such as \$5,000 instead of \$2,500, then each sponsorship agreement need not be personally reviewed by the SJA/OGC attorney.

c. Standard agreements may be reached for a particular event or program when the terms of the agreement will only vary in the consideration given or received for the sponsorships.

207. Public Affairs' Responsibilities

a. A close working relationship should be developed between the sponsorship office and the base or region Public Affairs Office (PAO). All work involving outside media sources should be coordinated with the PAO.

b. Agreements concerning television and radio broadcast rights to MWR events, and related pre-event publicity, should not be entered into until after coordination with the PAO. Coordination does not mean that the PAO must personally be involved with each and every press release. The local PAO may limit his/her involvement at their discretion. Any agreement between the PAO and the MWR Department must specify what type of television and radio broadcasting rights the PAO wishes to be involved with.

c. If the event is inter-service, all agreements should be coordinated through the Office of the Assistant Secretary of Defense for Public Affairs for DOD.

208. Commanding Officer or Regional Commander Responsibilities

a. The establishment of regional shore commands and the ensuing region-wide consolidation of MWR programs has resulted in a need for changes in authority and responsibility for the administration of base-level MWR programs. In some regions, regional commanders have assumed many of the responsibilities previously held by base commanding officers. Accordingly, when this guide refers to the authority of the commanding officer, the intent of the term "commanding officer" shall be

modified to mean that of the respective regional commander or responsible regional authority as designated by the regional commander, as well as the traditional commanding officer.

b. Commanding Officers or Regional Commanders must approve (sign) all sponsorship agreements, unless he/she chooses to delegate this authority, in writing, to the MWR Director.

Chapter 3

SPONSORS' OPPORTUNITIES

301. Authorized Opportunities

- a. **Signs** during the event (quantity, size, design and location to be specified).
- b. **Posters** for use in advance of performances or events.
- c. **Sponsor's banners.**
- d. **Seasonal signs** (i.e., outfield billboards).
- e. **Logos on publicity materials, programs, tickets, etc.** The commercial sponsor may provide printed programs for distribution at the performance or event. These programs may credit the commercial sponsor or its products or services.
- f. **Credits in news releases and radio announcements.**
- g. **Acknowledgment over a public address system.** If the acknowledgement is done verbally, there must also be a verbal disclaimer read once during an event of moderate duration, e.g., concerts, rodeos. However, during a lengthy event (such as an air show) the disclaimer should be read once every two hours at a minimum. The actual number of times the disclaimer is read should be determined by the Commanding Officer or his representative authorized to sign commercial sponsorship agreements. See 11.2 for an example of an appropriate disclaimer.
- h. **Event tie-in** with in-store product displays in cooperation with the Navy Exchange, Commissary, or MWR retail operations and sponsor.
- i. **Product sampling** (giveaway samples). Samples of a sponsor's products (except samples of alcoholic beverages and tobacco products) may be given to attendees if the retail value of the samples given to any individual is \$20 or less.
- j. **Merchandising opportunities** including licensing of product logos for event paraphernalia (requires local NEX coordination if similar merchandise is sold at NEX).
- k. **Title recognition for individual act or segment of a show.** The title of an individual act or segment in a show or event may identify the commercial sponsor, its products, or a service, as long as the title does not contain any reference to any part of DOD. For example, "X Bowling Corporation Presents John Doe and His Trick Roll Off" is permissible. However, the following is NOT PERMISSIBLE:

The “Navy” and X Bowling Corporation presents . . ., or the “Official Navy Sponsor,” X Bowling Corporation Presents.

l. **Title recognition for major event.** A sponsor is not entitled to have a Navy event named after the sponsor. It is not permissible to have “The Lowland Corporation presents the NAS Flyover 2005 Air Show.” However, it is permissible to have “NAS Flyover 2005 Air Show presented in part by Lowland Corporation” or “NAS Flyover 2005 Air Show is sponsored by Lowland Corporation” where there are sponsors who pay to have their name on posters, etc. Remember, never indicate that the sponsor is sponsoring something that the taxpayer is paying for, such as, “Big Blue Sporting Goods Company presents the Blue Angels.”

j. **A product sale rights** at an event, except for alcoholic beverages and tobacco products.

k. **Miscellaneous advertising** such as donated place mats, napkins, scorecards, and other similar items of nominal value that identify the commercial sponsor’s name, products, or services. Disclaimers are not required.

l. **Sponsorship of an individual youth or adult athletic team.** The sponsor must pay a negotiated fee agreed upon by the sponsor and MWR Coordinator, and approved by the Commanding Officer or MWR Director authorized to sign sponsorship agreements. In return, the sponsor may display their name on T-shirts, hats, etc. MWR must purchase equipment and uniforms of equal quantity and/or quality for all teams, regardless of sponsor. The disclaimer prescribed above must be either posted at the competition site or read to the audience at least once during any sporting event where such uniforms are worn.

m. **Product displays** are a very valuable consideration for entering into a Commercial Sponsorship Agreement with MWR when the sponsor is permitted to display their products or services to the military market. Along with the right to a product display during an event or length of a particular program (such as a softball season), MWR must ensure that proper disclaimers are strategically placed. The disclaimers must make it clear to the public that neither MWR, the Navy, or the U.S. government is endorsing the product.

302. Non-Authorized Sponsorship Opportunities

The following sponsorship activities are not authorized:

- a. Official endorsement of a product, supplier, or service.
- b. “Official” product or service billing (e.g., “The official soft drink of the event.”)
- c. Television, video, or audio rights.

d. Permanent signs or banners of any kind except for: 1) displays and table tents, and 2) scoreboards, tee markers, and portable marquees. The length of time the advertising is to remain on the above items must be specified in the agreement.

e. Permanent acceptance of fixed assets or vehicles. Such items may be loaned during the duration of the event.

f. Use of the insignia of the United States Navy, to include the initials "USN," the seal, or the emblem.

g. Use of command seal.

h. Right to sell products which are not in direct support of an MWR or open house event. Commercial Sponsorships should not be used to circumvent concessionaire contract opportunities and requirements or Navy Exchange sales priorities.

303. Commercial Sponsorship on the Web

SECNAVINST 5720.47, Department of the Navy Policy for Content of Publicly Accessible World Wide Web Sites controls the content of all Navy web sites, including those funded with NAF. Contact your local Web Master for local policy.

Chapter 4

ALCOHOLIC BEVERAGES, TOBACCO, AND SPONSORSHIPS

401. Federal Alcohol Administration Act

The Federal Alcohol Administration Act (27 U.S.C.205) prohibits the giving of money to retailers (e.g., the MWR department) if such payment directly induces the retailer (i.e., MWR) to purchase that company's alcoholic beverage products to the exclusion in whole or in part of a competitor's alcoholic beverages.

402. Alcoholic Beverage Selection

The following procedures should be used when selecting an alcoholic beverage for your event:

- a. Obtain written proposals from suppliers for the procurement of alcoholic beverages that may be sold during the event.
- b. Document your evaluation of the bids received.
- c. Select and announce which alcoholic beverages you intend to offer for sale at the event. (In selecting the alcoholic beverage products to be sold, no consideration may be given to the sponsorship potential of a supplier.)

403. Accepting Unsolicited Sponsorships

After the selection and announcement of the alcoholic beverage supplier for an event is complete, MWR may review and accept any unsolicited sponsorship proposal from another alcoholic beverage company. The sponsorship should not be directed predominately or exclusively at the military, and the alcoholic beverage company must sponsor similar events in the civilian community.

404. Sponsorship Offers Prior to Beverage Selection

Sponsorship offers made prior to the beverage selection for events must be returned to the potential sponsor by registered mail with a letter explaining why MWR may not review or accept their offer until the decision is announced stating which alcoholic beverages will be sold at the event.

405. Prohibitions Involving Alcohol and Tobacco Sponsorship

The following activities are prohibited:

- a. Alcoholic beverage product sampling
- b. Solicitation of alcoholic beverage commercial sponsorships
- c. Sponsorships of any kind by any tobacco company

Chapter 5

COMMERCIAL SPONSORS

501. Sponsorship by Foreign Companies

Only sponsorships from U.S. sources will be solicited and accepted, except as follows:

- a. Solicitation of non-U.S. sources is permitted in foreign countries if inadequate U.S. sources exist.
- b. Solicitation of foreign corporations having U.S. subsidiaries is authorized, e.g., Toyota of America, etc.
- c. Solicitation of foreign corporations owned by U.S. companies is permitted, e.g., Volvo is owned by the Ford Motor Company.

502. Type of Companies

- a. Targeted sponsors should be (but are not restricted to) sponsors that supply or produce personal consumer products (products sold to the general public for personal use) or services.
- b. Previously, a company who was a major weapons system producer was not permitted to sponsor an MWR event. However, they may now be a sponsor if they present an unsolicited proposal that is approved by the Regional Commander. When accepting such sponsorships, there must not be an appearance of conflict of interest that the sponsor has been, or will be, the recipient of a competitive advantage due to the sponsorship. If the potential sponsor is in the process of bidding on government work and not simply a contractor filling a current contract, sponsorships should not normally be accepted from such a contractor. However, this is a local decision that the Commanding Officer and the Staff Judge Advocate or OGC Counsel must approve along with the Regional Commander and his/her legal advisor.
- c. Sponsors may be any individual, agency, association, or other entity except for religious organizations such as churches, temples or synagogues.
- d. If a religious organization, as defined above, offers a service that is non-religious, such as day care and summer camps where participation is open to all, that service may be a sponsor, even if hosted by a particular religious organization.

503. Prohibited Sources

a. Overseas solicitation of any automobile sponsorship that is in violation of the exchange agreements concerning automobile sales is prohibited. If such sponsorship is desired, coordination with the Navy Exchange is required. (See ASD memo of 19 Apr 01 concerning Overseas Car Sales by DOD Resale Activities.)

b. Sponsorships by banking, insurance, and other financial institutions are discouraged unless judged to be within compliance of the DODD 1000.11, DODD 1344.7, and SECNAVINSAT 1740.2D. The Staff Judge Advocate or OGC attorney assigned to give legal advice to the command should review any sponsorship agreements with these agencies.

Chapter 6

SOLICITATIONS

601. Competitive Solicitation

Solicited commercial sponsorship is based on principles similar to those that guide NAF contracting, e.g., competition, evaluation of offers:

a. If feasible, all solicited sponsorships should be competitively solicited, unless prohibited by other instructions, this Guidebook, or prior exclusive agreements which granted exclusive options to a sponsor. This ensures that sponsorship opportunities are presented to the maximum number of potential sponsors.

b. To be reasonably assured of notifying all potential sponsors, announcements of MWR sponsorship opportunities should be placed in appropriate publication(s) (e.g., local newspaper, Commerce Business Daily, trade publications, etc.). A general announcement at the beginning of each fiscal year in a local publication that would reach the most potential sponsors would serve to satisfy this requirement.

c. After sponsorship opportunities are publicized, the local MWR Sponsorship Coordinator may contact prospective sponsors (e.g., telephone call with follow-up letter and sponsorship package, etc.).

602. Unsolicited Sponsorship Offers

Unsolicited sponsorship offers do not require subsequent competitive solicitation from other companies. However, to be an acceptable unsolicited sponsorship offer, it must have been *wholly and entirely* initiated by the prospective sponsor for a legitimate MWR activity, or the sponsorship proposal must be treated as a solicited sponsorship proposal.

603. Conditions that Apply to Acceptance of Unsolicited Sponsorship

a. Prospective sponsors must initiate the sponsorship for a legitimate MWR activity or event without any prior knowledge of the needs of the MWR program or installation. Following receipt of an unsolicited offer, MWR's needs should be determined and an evaluation of the offer made.

b. Receipt of an unsolicited proposal does not require solicitation of other sources. However, other sources may be solicited if it is appropriate or beneficial to the local MWR program.

c. The offer may be either accepted or declined.

Chapter 7

SPONSORSHIP AGREEMENT

701. Written Agreement

a. Written agreements detailing the sponsor and MWR obligations must be completed after negotiations and selection of the sponsor(s) are finalized.

b. Each event or program requires an agreement. The agreements cannot exceed a one-year period. Annual renewal options, if any, shall not exceed five consecutive years. Options are at the discretion of MWR or MWR and the sponsor, never at the sole discretion of the sponsor.

c. The agreement should comprehensively list the responsibilities of the sponsor, the MWR department, and the installation. It should also be specific regarding the parties' involvement, rights, and benefits.

702. Content of Agreements

The following items should be addressed in all agreements, where applicable:

- a. Type of sponsorship and accompanying rights.
- b. Specific size, placement, quantity, production responsibility, and type of signs.
- c. Type of advertising to be used.
- d. Merchandising rights.
- e. Renewal options, if applicable.
- f. Possible liability and insurance requirements (minimum \$500,000 per individual/\$1,000,000 aggregate). Usually, there will not be an insurance requirement for a sponsor unless the sponsor is giving away samples or is sponsoring a performance of some kind.
- g. Sponsors should be told that their agreement will be handled with as much confidentiality as possible. However, since the agreements are subject to the Freedom of Information Act (FOIA), they could be released to someone filing a FOIA request, unless the sponsor can claim an exception under the act. If the sponsor has information (including price consideration) to be kept confidential, they should clearly mark all documents as being protected under trade secrets or other

business necessity. These markings will not guarantee nondisclosure. However, unless marked, they will be disclosed upon request.

h. If it is necessary to know gross/net attendance, sales, or other similar information, the right to audit should be reserved by MWR. (When possible, a set fee for the space or right to sell should be charged versus a percentage of gross/net sales. This helps eliminate "fudging" figures.)

i. Appropriate disclaimers.

j. The sponsor will certify, in writing, that no costs of the sponsorship will be charged to any part of the Federal Government.

703. Disposition of Commercial Sponsorship Agreements

Commercial Sponsorship Agreements should be disposed of two years after the sponsored event or program has been completed, or two years after the last option has expired, whichever is later.

704. No Reprisal

Commanding Officers must ensure that corporations who do not sponsor MWR programs or events are not treated with disfavor or suffer any reprisal.

705. One Agreement per Sponsor

a. If a sponsor has subsponsors, each of the subsponsors must sign an individual agreement with MWR detailing the agreement between the main sponsor and the subsponsor.

b. No subsponsor may represent any organization not authorized to be a sponsor according to these guidelines.

c. The number of subsponsors authorized should be carefully monitored. Although funds generated from sponsorships with subsponsors are often substantially higher, multiple subsponsors tend to clutter printed and verbal media, which may detract from the value of the sponsorship opportunity.

706. Exclusivity

Except for alcohol sponsorships, exclusive agreements with sponsors may be established if it is beneficial for MWR. Exclusive agreements may have a "right of first refusal" clause for any option years negotiated. Exclusive agreements should be the exception rather than the norm and should command much higher consideration than other non-exclusive agreements. This is an important right. Do not negotiate it away lightly!

Chapter 8

LEGAL REQUIREMENTS

801. Legal Review of Sponsorship Agreements

Before the event or program being sponsored is conducted, all sponsorship agreements must be reviewed by your local legal officer [Judge Advocate General Corps (JAGC) or Office of General Counsel (OGC)] and approved, i.e., signed by the Commanding Officer or MWR Director (if this responsibility is delegated in writing).

802. Disclaimer

A disclaimer must be used for all sponsorships to ensure that MWR does not inadvertently imply that the Department of the Navy officially endorses any company, sponsor, their products, or services. The following disclaimer is provided as an example:

(NAME OF YOUR COMMAND) SINCERELY THANKS AND APPRECIATES THE SPONSORS OF THIS EVENT. HOWEVER, NEITHER THE NAVY NOR ANY OTHER PART OF THE FEDERAL GOVERNMENT OFFICIALLY ENDORSES ANY COMPANY, SPONSOR, OR THEIR PRODUCTS OR SERVICES.

803. Existing Agreements

Sponsorship opportunities must be coordinated with your local command's procurement personnel and Navy Exchange office to ensure that the sponsorship will not violate existing agreements. Areas of particular concern are telecommunications agreements, travel agency contracts, and in overseas areas, automobile concessionaires.

Chapter 9

EXPENSE ACCOUNT FOR SPONSORSHIP COORDINATOR

901. Expense Account Administration

a. Costs incurred by the MWR Commercial Sponsorship Coordinator incidental to conducting this function will be paid from an expense account. Examples of such expenses include costs of travel to meet with company/business representatives and to maintain a working knowledge of sponsorship opportunities. Other expenses include out-of-pocket costs (as authorized by the Commanding Officer) such as "Thank You" cards, calling cards, meals, (food and non-alcoholic drinks), picture frames, plaques, MWR purchased apparel, and Commander's coins purchased with NAF.

b. Expense accounts are authorized on a "use or lose" basis and do not accumulate from month to month. The amount of each expense account will be set in writing by the Regional Commander, Commanding Officer or MWR Director, as appropriate.

c. Use of the expense account for the purchase of alcoholic beverages is prohibited.

d. The Commercial Sponsorship Coordinator will provide accurate and complete documentation for all reimbursable expenses. Original receipts for each expense are required. They will include the date, reason for expense, amount of expense, and signature of the individual being reimbursed. Expenses will be recorded during the month in which the expense occurred. Reimbursement will be by electronic funds transfer or check payable to the individual who incurred the expense.

e. The Commanding Officer must approve payment. Approval authority may be delegated, in writing, to the MWR Director.

Chapter 10

ACCOUNTING/INTERNAL CONTROL PROCEDURES

1001. Subsidiary Ledgers

a. Local activities must maintain subsidiary ledgers to provide an audit trail for the receipt of all sponsorships.

b. Record all revenue (except merchandise or in-kind services) under RAMCAS Sponsorship Account Number XX-571-XX or equivalent SAP account number.

c. Ensure that all merchandise or in-kind services are documented in writing and retained in the file with monetary sponsorship receipts. Documentation can be in the form of a memo, packing slip, no charge purchase order, etc.

1002. Cash Transactions of Sponsorship Revenues are Prohibited

a. All monetary transactions must be made by company check, credit card, debit card, or electronic funds transfer.

b. Acceptance of cash *is prohibited*.

1003. Maintenance of Records

Maintain a record of all sponsorships to include company name, type, and amount of sponsorship (i.e., cash, merchandise, in-kind services) and the disposition/use of the sponsorship.

1004. Use of Sponsorship Funds and In-Kind Services

Any funds, products, services, or items resulting from the commercial sponsorship program may be used **only** within the MWR Program. MWR activities may accept promotional items from suppliers for use in MWR recreational programs or events, which are open to all authorized patrons. When used as prizes, MWR employees and their immediate family members are not eligible to win any of these items.

Chapter 11

SPONSORSHIP/VENDOR DISPLAYS

1101. Sponsorship Displays are at the Command's Discretion

In general, most sponsorship displays/advertisements used in the civilian community are acceptable, however, some may not be *appropriate* for use in a military setting. Therefore, the standard for displays and advertisements are at the command's discretion. However, they should be appropriate, not overly large, and must not dominate or draw undue attention. In particular, alcoholic beverage product displays should be in proportion to other product displays.

1102. Tobacco Product Displays

Tobacco product displays are not permitted.

Chapter 12

USE OF A MARKETING FIRM

1201. Marketing Firms ARE NOT Agents

a. Marketing firms may be used to serve as a representative of the base to match prospective sponsors with MWR events. However, a marketing firm may not function as an agent of the base.

b. Only the Secretary of the Navy has the authority to designate "agency status" to a contractor (i.e., empower them to contract for goods and services for the Department of the Navy).

1202. Commercial Sponsorship Marketing Services Agreement

a. Local commands may enter into a "Commercial Sponsorship Marketing Services Agreement" with a contractor who can then match prospective sponsors with MWR events.

b. If only one marketing firm is selected to represent the local MWR department, it is a procurement action and applicable nonappropriated fund procurement regulations must be followed.

c. If two or more firms are permitted to solicit for commercial sponsorship, the marketing firm and the command may sign a letter of engagement to provide services. Further, if the command does not want to grant an exclusive right to solicit sponsorships to one firm and leave open the option of engaging another firm at a later date, then a letter of engagement should be used. An example letter of engagement is provided in Appendix V. A letter of engagement is not a contract and does not promise exclusive rights to the marketing firm to solicit sponsorship for MWR. It is simply an agreement by both sides that MWR will pay in accordance with the letter if the marketing firm is able to provide a potential sponsor.

d. The marketing firm must follow all Navy commercial sponsor and partnership program policies and procedures.

e. The marketing firm may not sign the commercial sponsorship agreement. All agreements must be signed by those authorized in accordance with this guidebook.

Chapter 13

INDOCTRINATION/PROMOTIONAL VIDEOTAPES

1301. Local Videotapes

- a. Local MWR departments may solicit sponsorship for the production of videotapes used for indoctrination or promotion of MWR activities/opportunities.
- b. If the video contains sponsorship credit, an appropriate disclaimer must appear in the film stating that neither the federal government nor the Department of the Navy officially endorses any company's product or service.
- c. Sponsor advertising within the videotape is limited to no more than two minutes per film, total, regardless of the number of sponsors.

1302. Content of Videotape

The advertising contained within the videotape must be appropriate and should not be contrary to the interests or policies of the Department of the Navy, including those of the Navy Exchange, Family Services, MWR, and other quality of life programs.

Chapter 14

PERSONAL TELECOMMUNICATIONS PROVIDERS

1401. Comprehensive License Agreement

a. The Navy Exchange Service Command (NEXCOM), has a comprehensive license agreement with AT&T for personal telecommunications services. The license agreement requires AT&T to market the program aggressively, which includes sponsorship of selected military MWR events (e.g., concerts, air shows, and entertainment acts).

b. NEXCOM is the sole contracting authority for the AT&T license agreement for personal telecommunications services and related marketing efforts. As a result, no telecommunications companies or their agents (e.g., event marketing firms) other than AT&T may be solicited to provide sponsorship for MWR programs, events, or participation in open houses.

1402. Approval by NEXCOM Contracting Officer

Because the AT&T/NEXCOM contract is exceedingly complex, any personal telecommunications sponsorship offer or solicitation must be approved by the NEXCOM Contracting Officer. Contact your local NEXCOM Manager for guidance and approval.

1403. Phone Cards

Consistent with the exclusivity provision of the NEXCOM contract with AT&T, MWR may sell only AT&T phone cards that are obtained from the local Navy Exchange or directly from AT&T. (The Navy Exchange will sell phone cards to MWR at cost.)

1404. The Definition of Personal Telecommunication

Personal telecommunication is defined as any device or service that an individual can use to communicate with another for personal use. This includes, but is not limited to, phone cards, long distance service, wireless, Internet or other new technology as it develops where one person can communicate with another. Since NEXCOM has the option to include AT&T in a contract for such services, NEXCOM must be consulted to determine if the new or existing technology has come under the provisions of the AT&T contract before a commercial sponsorship agreement may be accepted.

Chapter15

FOLLOW-UP AND AFTER-ACTION REPORTS

1501. Follow-up Report and Sponsorship Evaluation

A follow-up report providing a thorough event evaluation should be submitted to the Sponsor immediately following the event. The evaluation should provide an assessment of the event and the benefit to the sponsor. The method by which the company will evaluate the sponsorship should be agreed upon in advance. The following factors should be included in the evaluation:

- a. The success of the event itself, i.e., actual versus forecasted attendance.
- b. On-site sales.
- c. Increased awareness of the company. (This is hard to measure. One method is increased traffic at the sponsor's property; another method is an unobtrusive on-site sampling of attendees. If this method is used, survey questions should be no more than five and include: "Can you name the companies who are sponsoring this event?" A follow up question about those companies named is, "Can you tell me something about their products or services?")
- d. Publicity, advertising, and promotion received.
- e. In-store traffic, i.e., a marked increase in sales at Navy Exchange, Commissary, or other local retailers.
- f. Increased sales in general.
- g. Feedback from dealers, distributors, and employees can relate general impressions as well as implementation success or difficulty of a sponsorship program.

1502. After-Action Report

The after-action report should include the following:

- a. A review of the entire event that lists signs and location, merchandise, etc. Include everything that demonstrates **CONSIDERATION** was given by MWR for the company's sponsorship.
- b. A copy of all printed publicity.
- c. Results of spectator survey, if used.

d. Pictures or videotape of the event. Include pictures or film of attendees, events, and sponsor's signs. When video taping, sure to record relevant public address acknowledgements and disclaimers.

Chapter 16

CONCLUSION

1601. MWR Commitment

MWR is committed to providing the Navy community with quality recreational and social activities during their off-duty hours. Commercial sponsorship is a means to offer programs and events that otherwise may not be offered, or if they were, such action would cause the reallocation of financial resources from other MWR programs and services.

1602. Target Market

Commercial sponsors recognize that event sponsorships offer them target markets. The primary target of all sponsorships should be the active duty member and their families. Other eligible patrons should be considered a secondary target market. Companies sponsor events that provide them the biggest return on their investment and that reach their intended target market.

1603. Successful Sponsorship

Regardless of the size of your base, or how many people your event will attract, if you follow the guidelines in this Guidebook, you can be successful in establishing commercial sponsorship for your MWR programs and events.

1604. Visit the Web

Be sure to visit the MWR Commercial Sponsorship web-site at www.mwr.navy.mil for updates to sponsorship policies, sample agreements, and other pertinent information.

1605. For More Information

For more information about the Navy's Commercial Sponsor and Partnership Program, please contact the MWR Legal Counsel office at p658l@persnet.navy.mil or call 901-872-6626, DSN 882-6626. You can also contact the Head, Planning and Special Projects at 901-874-6860 or e-mail p658d@persnet.navy.mil. You can also write us at:

Navy Personnel Command
PERS-658L
5720 Integrity Drive
Millington, TN 38055-6580

APPENDIX I

EXAMPLES OF ACTIVITIES THAT ARE NOT ELIGIBLE FOR COMMERCIAL SPONSORSHIP OR DO NOT COME UNDER THE COMMERCIAL SPONSORSHIP PROGRAM

1. A Tenant Command is having a change of command. Part of the festivities will include a party to be held in the hanger. The Tenant Command wants to obtain sponsorship to defray expenses of souvenir brochures for the official ceremony and to defray expenses for food, beverage, entertainment, and door prizes at the party to be held after the ceremonies for tenant command personnel, their families and guests.

Why isn't this event eligible for Commercial Sponsorship? Neither the change of command function nor the associated party is an MWR program or event. Commercial sponsorship solicitation is authorized only for MWR programs or events.

2. A Spouses' Club at a naval station wants to sponsor a party for base personnel to show appreciation for a "job well done." Family members will also be invited. To partially fund the party and to keep the ticket price as low as possible, they want to solicit commercial sponsorship from vendors to provide the beer and soft drinks at no cost for the event.

What's wrong with this picture? Only the MWR Department, through its authorized Commercial Sponsorship Coordinator, may solicit sponsorship opportunities.

3. A member of an intramural sports team at a naval shipyard has obtained a company to sponsor his team, i.e., to provide uniforms for members of the team in return for the company's name on the back of the uniform shirt.

Is this Commercial Sponsorship? No. Not in the manner in which the scenario suggests. Only the authorized MWR Commercial Sponsorship Coordinator may solicit sponsorship. What you have in this scenario is an illegal request for a donation or a gift. However, an **unsolicited** offer to sponsor a team may be considered by the MWR Commercial Sponsorship Coordinator. Such an offer can be accepted only if MWR will/can provide similar uniforms to all other intramural sports teams. The MWR Commercial Sponsorship Coordinator is authorized to solicit companies interested in sponsoring intramural sports teams.

4. The Enlisted Men's Club accepted an unsolicited sponsorship offer of \$5,000 worth of free merchandise from a major beer distributor to conduct a program at the Club that would exclude other competitive products.

Is this a legal Commercial Sponsorship? What the Club accepted was probably a gift. There are several things wrong with this scenario. First, it fits the definition of a gift, (i.e., there is no apparent equal exchange of value.) Second, it conflicts with the provisions of the Federal Alcohol Administration Act. Third, if it were a valid commercial sponsorship offer and accepted, it should have been worked through the designated MWR Commercial Sponsorship Coordinator, chopped through staff legal, and signed by the Commanding Officer or his/her designated representative.

5. A large Naval Station has an athletic field complex containing several softball fields and an all-purpose field. The complex is surrounded by several hundred feet of fencing on which MWR events are promoted. MWR nonappropriated funds were used to install special brackets to house the promotional posters. The designated MWR Commercial Sponsorship Coordinator, a new person in the position, has developed a "commercial sponsorship marketing concept" to sell advertising space to local businesses to fill up excess fence space. The Coordinator sent a concept paper to the base staff legal for review.

What did legal staff say when they reviewed the concept paper? This is not a commercial sponsorship opportunity. It's a proposal to sell advertising space. When viewed alone, the sale of advertising space, which is permitted, does not constitute commercial sponsorship.

6. An unsolicited sponsorship offer was received by an aviation squadron to support social and recreational aspects of the decommissioning of the squadron. The squadron's Commanding Officer accepted the offer to offset the costs associated with the social and recreation aspects of the decommissioning ceremonies.

Was the squadron's Commanding Officer authorized to accept this sponsorship? No. While elements of the festivities associated with the decommissioning of the squadron were of a recreational nature, the event was not an MWR program or event. Furthermore, only the host command's MWR Department is authorized to solicit (or accept unsolicited) commercial sponsorships. Only the Commanding Officer of the host command or his/her designated representative, can approve (sign) commercial sponsorship agreements.

7. The Base Commanding Officer wants his Commercial Sponsorship Coordinator to solicit sponsorships for the upcoming Navy Ball.

Is the Navy Ball an MWR Program or Event? Navy Balls or other similar functions are not MWR programs or events. Therefore, they are not eligible for commercial sponsorship.

8. A Naval Helicopter Association (a private organization) plans to hold a golf tournament as a fundraiser. To maximize the fundraiser, the Association wants to obtain sponsors from the local community to underwrite the cost of the tournament.

Members of the Association approached several businesses in the community that have agreed to provide funds to support the tournament. The President of the Association comes to the MWR Department's Commercial Sponsorship Coordinator with the names of the sponsors and wants the appropriate sponsorship agreements prepared.

What's wrong with this scenario? There are several things wrong with this scenario. First, the Association is a private organization. Private organizations are not authorized to solicit commercial sponsorship, which has as a requirement displays, etc., on a DOD installation. Second, the event for which sponsorship is desired is not an MWR event. Commercial sponsorship is authorized only for MWR programs or events (i.e., programs or events that are extensions of the MWR Program of the host command.)

9. A local automotive dealership presents the base Public Affairs Officer with an offer to provide 100 cars/trucks in support of an upcoming Air Show event. The cars are offered in support of the event including use by performers in the Air Show. The Public Affairs Officer accepted the offer.

Anything wrong with this? The cars/trucks can be accepted, but only through the efforts/administration of the Commercial Sponsorship Coordinator, because it is generally in support of the recreational aspect of the show (i.e., acts/performers). The Public Affairs Officer is not authorized to accept commercial sponsorships.

*Note: Should an individual bring to your attention activities that are not eligible for commercial sponsorship, or are in violation of the guidance provided herein, we recommend making a memo for the record that includes the date, individual, organization, and circumstances of the activity, and your advice to that individual on how to proceed. Keep this on file for future reference if needed.

APPENDIX II

EXAMPLES OF ACTIVITIES THAT ARE ELIGIBLE FOR COMMERCIAL SPONSORSHIP OR DO COME UNDER THE COMMERCIAL SPONSORSHIP PROGRAM

1. The Intramural Sports Coordinator at a naval station has been approached by Gatorade to sponsor an upcoming athletic event. They will provide samples of Gatorade during the event to all participating athletes, T-shirts (with their logo) for each participant, and will give \$100 to the first place finisher. In exchange, they want to be recognized as a sponsor of the event with their name and logo printed on event brochures and other local MWR media about the event. Additionally, they request a large banner be displayed in the gymnasium during the event.
2. A beer company has a comedian tour of DOD installations in CONUS. The company approaches your food and beverage manager and offers this tour to perform at the Consolidated Club for only \$100. The actual value of the performance if purchased on the open market would be \$1,000. The food and beverage manager works with the Commercial Sponsorship Coordinator to draw up the sponsorship agreement. The sponsor desires advertising privileges such as their logo on printed material, signage at the event, and name recognition during the show.
3. The Youth Program at a naval station provides a summer camp for children. One of the camp activities is to visit a local amusement park every Friday. The park will give the children free admission if their name and logo is included on the summer camp T-shirts.
4. The Liberty Program Manager uses promotional items as awards at events (i.e., T-shirts, koozies, travel bags, coolers, etc.). The program manager requests that the Commercial Sponsorship Coordinator solicit non-alcoholic beverage companies to provide these items for events. The company receives name recognition since all the items have their logo.
5. A local Chamber of Commerce or City official wants the Chamber to be a sponsor of the local open house. This is permitted under the new, broader definition of who may sponsor MWR events.

APPENDIX III

EXAMPLE OF SPONSORSHIP AGREEMENT

MORALE, WELFARE & RECREATION DEPARTMENT

Naval Air Station, Anywhere

123 Good Ship Lollipop

Your Town, USA

COMMERCIAL SPONSORSHIP AGREEMENT BETWEEN

MORALE, WELFARE & RECREATION DEPARTMENT

AND

The Name of the Sponsorship Company

Agreement No. 20-001

This Agreement is made and entered into by and between the *Morale, Welfare & Recreation Department, NAS Anywhere*, hereinafter referred to as “*Fund*,” and the *Name of the Sponsorship Company* hereinafter referred to as “*Sponsor*.” The *Fund* seeks to promote positive, healthy, and active participation in leisure and recreational programs for service members and their families. In consideration of the premises and mutual promises set forth herein, the parties, intending to be legally bound, hereby agree as follows:

Or

Navy MWR programs are vital to mission accomplishment of the U.S. Navy and form an integral part of the non-pay compensation system for Sailors. These programs provide a sense of community among patrons and provide support services commonly furnished by other employers, or other State and local governments to their employees and citizens. MWR programs encourage positive individual values and aids in the retention of Navy’s most qualified personnel. MWR programs, activities, and services provide for the physical, cultural, and social needs and general well-being of Sailors and their families, providing community support systems that make Navy bases and ships temporary hometowns for an extremely mobile, highly-skilled, and efficient military population. Therefore, in consideration of the premises and mutual promises set herein, the parties, intending to be legally bound, hereby agree as follows:

1. **Event**. *Fund* agrees to conduct the following: (Description and date of event).

2. **Fund Responsibilities**. Fund will:

(a) Provide adequate professional staff to plan, organize, promote, conduct, and evaluate the event.

(b) Provide an endorsement disclaimer at the event and on all promotional materials distributed in connection with the event.

(c) Recognize Sponsor on the day of the event. (List how the Sponsor will be recognized.)

3. **Sponsors Responsibilities**. In exchange for promotional tie-ins with the event, Sponsor will:

(a) Sign agreement and return by (date).

(b) Provide two passes good until (date).

4. **Promotional Limitation**

(a) Except as expressly provided herein, neither the *Sponsor* nor *Fund* shall have the right to use in any way the commercial or trade name, trademark(s), service mark(s), logo(s), or other identification of the other party without their prior written consent.

(b) *Sponsor* hereby grants to *Fund* a royalty-free, non-exclusive license to use and display the trademarks associated with products. Such use shall be limited solely to the duration of the sponsorship of the event and any advertising or promotional activities relating thereto. *Fund* shall not use any of the *Sponsor's* trademarks in a way affiliated with or otherwise acting on behalf of *Fund*. *Sponsor* and *Fund* acknowledge that the provisions of this paragraph do not convey any right, title, or ownership interest in the trademark.

5. **Term and Termination**. This Agreement shall be effective from the date of Commanding Officer's (or Morale, Welfare and Recreation Director's signature, as applicable) through the end of the aforementioned event. Either party may terminate with _____ days notice.

6. **Remedies**

(a) **Disputes**. Except as otherwise provided in this Agreement, any dispute or claim concerning this Agreement which is not disposed of by consensus among the parties shall be decided by the *Fund* Representative signing this document, who shall state his/her decision in writing and mail or otherwise furnish a copy of it to the *Sponsor*. Within 30 days from the date of receipt of such copy, the *Sponsor* may appeal by mailing or otherwise furnishing a written appeal addressed to the Regional Commander. The decision of the Regional Commander shall be final and conclusive provided that the *Sponsor* shall be afforded an opportunity to be heard and to offer evidence in support of any appeal under this clause. Pending final decision on such a dispute; however, the *Sponsor* shall proceed diligently with the performance of this Agreement.

(b) **Termination for Default**. The *Fund*, by written notice, may terminate this Agreement in whole or in part for failure of the *Sponsor* to perform any of the provisions herein. In such event, the *Sponsor* shall be liable for damages, including the excess cost of procuring similar supplies or services, provided that (i) it is determined for any reason that the *Sponsor* was not

in default or (ii) *Sponsor's* failure to perform is without his/her or his/her subcontractor's control, fault or negligence, the termination must be deemed to be a termination for convenience. The term "subcontractor," as used in this clause, means subcontractor of the *Sponsor* at any tier.

(c) **Termination for Convenience.** The *Fund*, by written notice, may terminate this Agreement, in whole or part when it is in the best interest of the *Fund*. *Sponsor* and *Fund* may agree to a schedule of payments in those cases where the Agreement must be terminated due to cancellation of the event by the Commanding Officer or higher authority for any reason. Such agreement shall be added to this Agreement at the end thereof. If no such agreement is reached, *Sponsor* is not entitled to any damages due to the cancellation of this Agreement. In lieu of damages, *Fund* and *Sponsor* may agree to apply any funds or in-kind services to an upcoming MWR program or event in accordance with Section 8 below. However, if such agreement is not reached, any goods, services or funds already committed to or received by the *Fund*, shall remain the property of the *Fund*.

Note: In those cases where the consideration is completed upon the signing of the agreement or in close proximity in time thereto, the following may be used instead of (b) and (c) above.

This agreement shall become effective on the date of the last signature of both parties to the Agreement and shall remain in effect until Navy MWR dutifully submits such required after-action reports. This agreement may be terminated by either side within 30-calendar days notice.

7. **Independent Contractor.** *Sponsor* and *Fund* shall be and act as independent contractors, and under no circumstances shall this Agreement be construed as one of agency, legal partnership, or joint venture of employment between *Fund* and *Sponsor*. None of the personnel under contract to, employed by, or volunteering for *Fund* shall be deemed in any way to have any contractual relationship with *Sponsor* whatsoever. *Fund* shall be solely responsible for the conduct of its employees, personnel, and agents in connection with their performance of *Fund's* obligation hereunder.

8. **Force Majeure.** No party shall be responsible for events beyond its reasonable control, such as acts of God, weather delays, government restrictions, security alerts or unforeseen commercial delays. If the event is postponed due to inclement weather or other conditions beyond the *Fund's* control, it may be rescheduled for another time. The *Sponsor* shall then be entitled to, and *Fund* agrees to give *Sponsor*, all of the advertising and sponsorship rights set forth herein at no additional charge to *Sponsor*.

9. **Notices.** All notices required or permitted hereunder shall be deemed duly given if sent by certified mail, postage prepaid, addressed to the parties as follows:

If to *Sponsor*:

The Name of the Sponsorship Company
P.O. Box 1234
We've Got Money, USA

If to *Fund*:

Morale, Welfare & Recreation Department
NAS Anywhere
123 Good Ship Lollipop
Your Town, USA

11. **Assignment.** This Agreement is not assignable in whole or in part by any party hereto in the absence of the prior *written* consent of the other party.

12. **Entire Agreement.** This Agreement contains the entire understanding between the parties hereto relating to the subject matter contained herein and supersedes any and all prior agreements, arrangements, communications, or representations, whether oral or written. This Agreement may not be amended, altered, modified or changed except when approved in writing and signed by both parties hereto.

13. **Disclaimer.** The Navy nor any other part of the federal government officially endorses any company, sponsor, or their products or services.

14. **Sponsor by signing this agreement acknowledges that its costs of the sponsorship has not and will not be charged to any part of the Federal Government.**

15. **Legal Review.** As required by appropriate regulation, this agreement has been the subject of a legal review by _____ on _____.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

For Sponsor:

For Fund:

Signature

Signature

Title

Title (Commanding Officer or MWR Director)

Date

Date

APPENDIX IV

LIMITED AGREEMENT

The following may be used when the value of a sponsorship is less than \$5,000 and the delivery of the sponsor's consideration for the sponsorship is either contemporaneous with or in close proximity in time with the signing of the document.

COMMERCIAL SPONSORSHIP AGREEMENT MWR and ABC CORPORATION

1. This agreement is entered into by the Morale, Welfare and Recreation Department of NAS Neversail (**Fund**) and ABC Corporation (**Sponsor**) for the benefit of _____ (name of the sponsored event or MWR program or event) to be held on or about (date or range of dates the **Fund** will hold the event or program) _____.

2. **Fund Responsibilities.** **Fund** will recognize Sponsor of the event by _____ (banners, ads in print or radio, announcements during the event, etc.) and provide appropriate disclaimer(s) during the sponsored event/program.

3. **Sponsor Responsibilities.** In exchange for promotional tie-ins with the event/program, **Sponsor** will sign and return this agreement by _____ [date] and provide the following funds, goods and/or services either upon date of signing or no later than _____ [date]:

\$ _____

Description of Services: _____

Description of Goods: _____

Shipment or transportation of Services: _____

Total value of Agreement _____

4. **Term and Termination.** This agreement shall be effective from date of signature by **Fund** through the end of the event or program. Either party may terminate with _____ days notice.

5. **Cancellation of Performance of Program or Event.** **Fund** shall not be responsible for events beyond its reasonable control, e.g., acts of God, weather delays, government restrictions, security alerts or unforeseen commercial delays by the producer of the program or event. If the event is postponed due to any of the above, it may be rescheduled. **Sponsor** shall then be entitled to, and **Fund** agrees to give **Sponsor**, all rights set forth herein at no additional charge.

6. **Promotional Limitation.** **Sponsor** hereby grants to **Fund** a royalty-free, non-exclusive license to use and display trademarks, copyrighted materials, or patent protected goods or services associated with the products or services provided to **Fund**. Such use shall be limited solely to the duration of the event and any advertising or promotional activities relating thereto which the Fund may show to prospective sponsors for future events. **Sponsor** and **Fund** acknowledge that provisions of this paragraph do not convey any right, title, or ownership interest in the trademark(s), service mark(s), logo(s), or other identification of one another without prior written consent.

7. **Disputes.** Any dispute or claim arising under this Agreement which is not disposed of by consensus among the parties shall be decided by the Regional Commanding Officer, whose decision will be final.; however, the **Sponsor** shall proceed diligently with the performance of this Agreement.

8. **Termination for Default.** The **Fund**, by written notice, may terminate this Agreement in whole or in part for failure of the **Sponsor or any Sponsor's Subcontractors** to perform any of the provisions herein. In such event, the **Sponsor** shall be liable for damages, including the excess cost of procuring similar supplies or services. The **Fund** will be able to keep any consideration already delivered to the **Fund**.

In those cases where the consideration is completed upon the signing of the agreement or in close proximity in time thereto, the following may be used instead of the above default clause:

This agreement shall become effective on the date of the last signature of both parties and shall remain in effect until Navy MWR submits such required after-action report(s) as agreed upon by the parties.

9. **Independent Contractor.** **Sponsor** and **Fund** shall be and act as independent contractors, and under no circumstances shall this Agreement be construed as one of agency, legal partnership or joint venture of employment between **Fund** and **Sponsor**.

10. **Assignment.** This agreement is not assignable in whole or in part by any party hereto without prior written consent of the other.

11. **Entire Agreement.** This agreement contains the entire understanding between the parties and supercedes any and all prior agreements, arrangements, communications, or representations, whether oral or written concerning the same subject matter. This Agreement may not be amended, altered, modified or changed except in writing, signed by both parties.

12. **Disclaimer.** Neither MWR nor Navy or any other part of the federal government officially endorses any company, sponsor, or their products or services.

13. **Costs of Agreement.** Sponsor by signing this agreement acknowledges that its costs of sponsorship has not and will not be charged to any part of the Federal Government unless agreed to by separate legally binding contracts issued by the Federal Government.

14. **Notices.** All notices required or permitted hereunder shall be deemed duly given if sent by certified mail, postage prepaid, addressed to the addresses cited under the authorizing signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

For **Sponsor**:

For **Fund**:

Signature

Signature

Title

Commanding Officer or MWR Director

Date

Date

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

APPENDIX V

MWR COMMERCIAL SPONSORSHIP EVALUATION SURVEY

COMMAND: _____

POC: _____ **DSN:** _____ **Comm:** _____

Complete the following for sponsored programs and events during the period 1 October 20__ - 30 September 20__. Use additional pages if necessary.

Date	Event	Sponsor	Type of Sponsorship (Cash, merchandise, in-kind services)		Total Value of Sponsorship in Dollars (Compute value of in-kind services at wholesale cost)	Solicited Unsolicited
			Cash	In-Kind		
			\$	\$		
			\$	\$		
			Total	\$		

APPENDIX VI

LETTER OF ENGAGEMENT

This letter of engagement by and between **Name of Command**, a nonappropriated fund instrumentality (NAFI) of the government, hereinafter referred to as **the NAFI** and **Commercial Sponsorship Marketing Firm**, hereinafter referred to as **Marketing Firm**, is put forth to authorize **Marketing Firm** to act as a sponsorship sales liaison between corporations seeking sponsorship opportunities and **the NAFI**.

The NAFI shall pay **Marketing Firm** a finder's fee in a sum equal to **30%** of the total cash value of all sponsorships provided by **MARKETING FIRM** and accepted by **the NAFI**. **The NAFI** has the right to accept or decline any or all potential sponsors. The sponsorship percentage will be paid to **MARKETING FIRM** by check within 30 days after the commercial sponsorship cash payment is received by **the NAFI**.

This is a non-exclusive agreement between **the NAFI** and **MARKETING FIRM**.

Legal Status: **The NAFI** is an integral part of the Department of Defense and is an instrumentality of the United States Government. While this Letter of Engagement is an agreement with the United States, it does not obligate appropriated funds of the United States. **NO APPROPRIATED FUNDS OF THE UNITED STATES SHALL BECOME DUE OR BE PAID A CONTRACTOR BY REASON OF THIS LETTER OF ENGAGEMENT.**

PERS-65 SHALL:

1. Furnish **MARKETING FIRM** with a list of Navy events and venues seeking commercial sponsorship.
2. Provide **MARKETING FIRM** reasonable assistance in the development of solicitation packages to be used in the sales process.
3. Review all potential sponsorships brought by **MARKETING FIRM** and either accept or decline the offer within a reasonable period of time.
4. Perform final negotiations with commercial sponsors generated by **MARKETING FIRM** who are accepted as sponsors.
5. Prepare sponsorship agreement and obtain legal review and appropriate signatures for agreement.
6. Guarantee delivery on all **the NAFI** responsibilities set forth in the sponsorship agreement.

7. Provide input to **MARKETING FIRM** for After-action Reports needed for the sponsoring company at the conclusion of the event.

MARKETING FIRM SHALL:

1. Develop solicitation package to be used for Navy events and venues.
2. Solicit sponsorship for identified and agreed upon Navy opportunities.
3. Refrain from representing themselves in any way as agents of the government.
4. Follow all Navy rules, regulations, instructions, policies, and guidelines associated with the solicitation of commercial sponsorship.
5. Pay all expenses associated with solicitation to include salaries, travel, lodging, meals, phones calls, faxes, copying, etc.
6. Bring to **the NAFI** potential commercial sponsors for Navy-wide programs and events.
7. Assist **the NAFI** in the negotiations with potential commercial sponsors.
8. Develop After-action Reports for sponsoring companies.

ENGAGEMENT DURATION:

This letter of engagement shall be in effect for **one year** from the effective date signified by the date of signing of appropriate representatives of **the NAFI** and **MARKETING FIRM**. The engagement may be extended for an additional period if deemed in the best interest of both parties. The engagement may be terminated by either party upon 30 days written notice.

MARKETING FIRM Representative

The NAFI Representative

Signature – MARKETING FIRM

Signature – The NAFI

Date

Date

APPENDIX VII

COMMERCIAL SPONSORSHIP COORDINATOR APPOINTING LETTER

1710

From: MWR Manager
To:

Subj: APPOINTMENT AS COMMERCIAL SPONSORSHIP COORDINATOR

Ref: (a) DODI 1015.10
(b) BUPERSINST 1710.11C
(c) A Practical Guidebook for Navy Commercial Sponsor and Partnership Opportunities

1. You are hereby appointed the Commercial Sponsorship Coordinator for _____ (Name of command or region).
2. You may solicit commercial sponsorship for programs and events that are solicited in accordance with references (a), (b) and (c).
3. All commercial sponsorship offers that you receive must be reviewed by _____ (name of reviewer), the _____ (Base Staff Judge Advocate or Office of General Counsel Attorney), before presentation to the _____ (Commanding Officer or designee) for review and signature. If there are any questions, please contact the undersigned.

I. M. DIRECTOR