

## ADVERTISING, SPONSORSHIPS, AND NAMING RIGHTS

### Advertising

Corporation communications (central office and/or buildings), including publications such as programs and calendars, may accept and publish paid advertising. In no instance shall advertising or advertising images for alcohol, tobacco, drugs, drug paraphernalia, weapons, or obscene, pornographic, or illegal materials be accepted. Advertisements may be rejected by the Corporation if determined to be inconsistent with the educational objectives of the Corporation or inappropriate for inclusion in the communication. For example, advertisements may be rejected if determined to be false, misleading, or deceptive, or if they relate to illegal activity or antisocial behavior.

The Superintendent or designee is responsible for screening all advertising in Corporation publications for adherence to these guidelines.

The School Board or Superintendent may approve fixed or permanent advertising in Corporation facilities or on Corporation property. Any approval will state precisely where such advertising may be placed. Advertising will not be allowed outside the specific area approved by the School Board or Superintendent. Temporary advertisement banners specific to an individual event may be approved by the School Board or Superintendent

The use of the Corporation's name or logos by a third party requires express written permission from the Superintendent or designee.

Donations that include advertising obligations must be approved by the Superintendent. The Corporation may acknowledge a donation it has received from an organization by displaying a "donated by," "sponsored in part by," or a similar by-line with the organization's name and/or symbol on the item.

Commercial and nonprofit entities and organizations may be allowed to use the Corporation name, students, or facilities for purposes of advertising or promotion if the purpose is determined to be educationally related and prior approval is obtained from the Superintendent or designee. Advertising will be limited to the specific event or purpose as approved by Superintendent or designee.

No direct solicitations: Staff and students shall not be solicited during school hours by salespersons for the purpose of promoting and/or sale of any products unless it is determined by the Superintendent that it benefits the school system. The inclusion of advertisements in Corporation communications, in Corporation facilities, or on Corporation property does not constitute approval and/or endorsement of any product, service, organization, or activity. Approved advertisements will not imply or declare such approval or endorsement.

## **Naming Rights**

The purpose of this administrative guideline is to establish the criteria and procedures for granting Naming Rights in relation to Corporation facilities other than the schools themselves. The Corporation's objective is that educational values not be compromised when schools and individuals or businesses/organizations work together, and participation has a clear educational advantage for students.

In granting naming rights, due regard should be taken to the need to maintain an appropriate balance between commercial considerations and the role which names of buildings and spaces play in contributing to the Corporation's sense of identity. The granting of Naming Rights must always be consistent with the Corporation's vision and mission. The long-term effects of the Naming Rights must be considered. No commercial activity as defined or allowed by this policy shall be associated in any way with, among other things, the sale of tobacco, alcohol, illegal drugs, or weapons; contain vulgar and plainly offensive, obscene, or sexually explicit language; advocate the violation of law or Corporation policy; advance any religious or political organization; promote, favor, or oppose a candidate for elected office or a ballot measure; or be associated with any company or individual whose actions are otherwise in violation of the law.

The Corporation has the exclusive discretion to determine whether to pursue, accept or decline an opportunity to name facilities. The factors to be considered by the Corporation include, but are not limited to:

- The extent to which a naming opportunity limits or restrains the Corporation's discretion or its ability to pursue other opportunities;
- The duration of the arrangement or agreement and the Corporation's ability/discretion to terminate the arrangement/agreement;
- The extent to which the naming opportunity imposes any obligation on the Corporation, either presently or in the future, financial or otherwise, and whether the opportunity is subject to conditions acceptable to the Corporation;
- The extent to which the naming opportunity constitutes a conflict of interest or creates the appearance of or potential for a conflict of interest; and
- The extent to which the naming opportunity affects the appearance of Corporation property or disrupts the operation of the Corporation.

There are two circumstances in which Naming Rights may be granted. In each case, it is anticipated that a specific written agreement about the nature of the naming right would be entered between the parties or their representatives, such agreement to incorporate the provisions of these guidelines where appropriate. The terms of this guideline are subject to compliance with any specific written agreement entered between or on behalf of the parties.

## **Naming Rights in Consideration**

Naming Rights in Consideration are granted in consideration of financial contributions, sponsorship or other commercial transactions. Naming Rights may be granted by the Corporation in consideration of contributions made to the Corporation. Naming Rights in Consideration may be granted in return for provision to the Corporation of an appropriate financial contribution or sponsorship, including provision or supply of equipment, materials, land, or services. The Corporation may partner with other community organizations to raise funds.

## **Naming Rights in Recognition**

“Naming Rights in Recognition” may be granted in recognition of any significant contributions to the Corporation that it wishes to honor. These contributions can be financial or other gifts from donors, or meritorious service, and is at the discretion of the Corporation in concurrence with the party or their representatives. Naming Rights may be granted at the sole discretion of the Corporation in recognition of persons or entities it wishes to honor. One of the following three criteria must be fulfilled in order for the granting of Naming Rights in Recognition to be considered:

- a. Recognition of outstanding service to the Corporation; or outstanding service to the community.
- b. Recognition of the achievements of distinguished alumni.
- c. Recognition of a generous financial or other contribution from a donor (be it by way of donation, bequest, sponsorship, etc.), such contribution being voluntary and not rendered in consideration of the granting of naming rights.

The granting of Naming Rights in Recognition is at the sole discretion of the Corporation, with the concurrence of the party or their representatives.

Each granting of Naming Rights shall be governed by an agreement and/or all applicable Board policies. Items for which Naming Rights may be awarded: physical spaces including, but not limited to, auditoriums/theaters, gymnasiums, libraries, gardens/walks/Corporation-owned streets and ways, athletic fields/facilities, locker rooms, classrooms, laboratories, and hallways.

## **Consent**

The Corporation shall not grant a Naming Right without the consent of the named party or the named party’s representative, to the extent possible.

## **Monetary Valuation of Naming Rights**

Monetary valuations may be assigned to Naming Rights possibilities on a case-by-case basis to aid with making decisions about granting Naming Rights.

## **Duration of Naming Rights**

The duration of Naming Rights shall be decided or negotiated on a case-by-case basis. However, all naming rights may be approved for a specific term, which shall not be longer than the useful life of the property or facility, as determined by the School Board, unless otherwise established in the contract with the donor and approved by the School Board and the donor. The duration of naming rights shall be proportionate to the value of a donation, endowment, or other significant contributions to a school.

In accordance with *Policy G450* and *Policy H200: Relations with Special Interest Groups*, the Board will not accept a gift, donation, or bequest, or enter into any contract which calls for a facility to be named or re-named in conflict with these guidelines.

## **Physical Display of Naming Rights**

The physical display of the Naming Rights shall be decided or negotiated on a case-by-case basis. In the case of buildings, the physical display of the Naming Rights will take into account the identification of the Corporation and comply with all applicable laws and regulations including, but not limited to, zoning requirements.

The party after whom a building or part of a building is named shall have no right to use or control the use of that building or part of the building. The use will ordinarily be determined consistent with the Corporation's facility use policy. The Corporation will not agree to any condition in a contract that could unnecessarily limit the following: progress towards the Corporation's mission and purpose, statutory obligations, or the local authority of the School Board.

## **Private Business Use of Bond-Financed Property**

Generally, private business use of bond-financed Corporation facilities is any use by or for the benefit of a party other than use by the Corporation or use as a member of the general public. Private business use can arise from a lease, management contract, sponsored research agreement, naming rights agreement, or any other arrangement that gives a private business user special legal entitlements with respect to the use of the financed facility.

Private business use of Corporation facilities means:

- use (directly or indirectly)
- of a financed facility
- in a "trade or business"
- carried on by any person other than a state or local governmental unit

Bonds issued by the Corporation are tax-exempt bonds. However, Corporation-issued bonds will become "private activity bonds" and therefore lose their tax status if more than 10% of bond proceeds are used for a "private business use" and more than 10% of the debt service on the

bonds is directly or indirectly payable from or secured by property used in a private business. The 10% threshold drops to five percent (5%) if the private business use of the proceeds is unrelated to or disproportionate to the governmental use of the proceeds, however, this is rarely a concern for Corporation-financed facilities.

Example: If Corporation issues \$10,000,000 of bonds (payable over 20 years) to build a football stadium and grants a company naming rights of the stadium for \$100,000 per year for 10 years, the total value of the private business use will be \$1,000,000, or 10% of the value of the bonds. If the Corporation permits any additional business use (e.g., advertising banners) of the football stadium before the bonds are paid off, the bonds will lose exempt tax status.

No agreement can be entered into that would convert Corporation-issued bonds to private activity bonds without the approval of the School Board.

Community School Corporation of Eastern Hancock County

Adopted: 05/02/2022