

**IC 2004-1 TO AFMAN 34-416, AIR FORCE COMMERCIAL SPONSORSHIP AND NAFI ADVERTISING PROCEDURES.**

**5 OCTOBER 2004**

**★SUMMARY OF REVISIONS**

This change provides a new standard format for both solicited and unsolicited commercial sponsorship agreements and a new web-based format for quarterly and annual reporting of commercial sponsorship.

**★OPR: HQ AFSVA/SVPCM**

**★3.** The principles of Government Standards of Conduct apply to commercial sponsorship. Any actions that create the appearance of soliciting gratuities for personal benefit, or obtaining commercial sponsorship from DoD contractors as a condition of doing business, must be avoided. Sponsorship agreements may not include any form of rebate, or percentages of sales or sales increases. Sponsorship based on an amount of sponsor products sold cannot be accepted.

**★5.1.** Use the standard Commercial Sponsorship Agreement at attachment 2 for all sponsorship agreements. Use the optional sections as appropriate. No other changes, additions, or deletions are authorized unless approved by Headquarters Air Force Services Agency, Marketing and Public Affairs Branch (HQ AFSVA/SVPCM)

**★5.3.** The lists of sponsor support and NAFI commitments in paragraphs 5 and 7 should be as specific as possible to cover all reasonable and foreseeable contingencies.

**★5.5.** Paragraph 7 should list specific recognition/limited advertising privileges for sponsors, e.g., numbers and locations of signage and displays, direct mail, media releases, specific products to be displayed, additives, etc. Include other appropriate benefits such as exclusivity or first right of refusal for next event if applicable.

**★5.6.** If alcohol or tobacco sponsorship is involved, use the first clause from the Agreement Optional Clauses section provided.

**★6. Solicitation Process/Preparation Instructions.** As indicated in paragraph 5.1, use the standard Sponsorship Agreement at Attachment 2. Solicitations must be announced and should be sent to more than one potential sponsor in each product category. Evaluation of offers will be based on market value of services, goods, or cash offered. Consider the appropriateness of potential sponsors for the event. Solicitations are used when support is desired for an event with no previous sponsorship support, or where there are no existing or appropriate sponsors for a planned event. The solicitation package includes a copy of the Sponsorship Agreement that can be completed by the prospective sponsors, and appropriate enclosures, e.g., announcement (cover) letter, an executive summary, and any other extra event information materials.

★6.1. Develop the sponsorship support plan to include the event budget, costs or enhancements which could be supported by sponsors, a media plan for the event and recognition of sponsors, a promotional media plan for the event and recognition of sponsors, a prospective sponsor list, and where the solicitation is going to be published. When the solicitation concept has been briefed and approved by designated individuals, prepare a solicitation package for mailing to prospects. Prior to mailing, publish an announcement that includes event specifics; what is being sought from sponsors; benefits being offered; a suspense date for receiving inquiries or offers from sponsors prospects; and a point of contact (POC) name, address, and phone number. It can be a free announcement in appropriate civilian publications like newspapers, Chamber of Commerce newsletters, or trade journals. It can also be a paid ad (classified ads are acceptable) in these same kinds of publications. All announcements must include the following statement. “This is a solicitation for commercial sponsorship by a Nonappropriated Fund Instrumentality of the United States Government. It does not obligate appropriated funds or nonappropriated funds of the Government.”

★6.1.1. Solicitation announcements for multiple events are permitted providing all individual solicitation packages have been reviewed and approved by designated individuals. Multiple announcements must also state that sponsor prospects must submit separate offers for each specific event, with value levels included. Following the publishing of the announcement, send the solicitation package to potential sponsors on the prospective sponsors list and those who responded to any announcements or advertisement, or otherwise indicate interest.

★6.2. The formal solicitation package is mailed to appropriate individuals or entities, that may be appropriate sponsors of the event, excluding those involved with alcohol and tobacco products and defense (weapons systems) contractors. Solicitations may be sent to any domestic products division of defense contractors. Solicitation packages inform potential sponsors that NAFIs are seeking support and will entertain proposals. The cover letter and executive summary package focus on the who, what, when, and where of the event. Summaries should include:

★6.5. Those who respond to announcements or ads must be sent solicitation packages. Those involved with alcohol or tobacco products, or defense contractors (weapons systems) may be sent packages but they must certify that they are offering “unsolicited” sponsorship support. Only sponsorship from United States (US) sources will be solicited and accepted. In overseas areas, soliciting of other than US sources is allowed if there are no US sources available or the US sources are inadequate and the installation commander so certifies in writing.

★6.6. Initial offers received from sponsors are reviewed for appropriateness to event, best value offered, and negotiation options. Potential sponsors whose offers are not accepted should be notified in writing with reasons for non-acceptance. Final agreements must reflect sponsor signature, legal review, and approval by the designated authority. Agreements will not exceed a 1-year period. Each sponsor involved in an event should be on a separate agreement.

**★7. Sponsor Exclusivity and Other Benefits.** Event commercial sponsor exclusivity or product category exclusivity can be provided in writing for both solicited and unsolicited sponsorship. Exclusivity is a valuable benefit for sponsors, and should be used as a negotiation tool. Generally, if the potential sponsor is meeting all the budget requirements for a particular event or event category of support, granting exclusivity is logical based on the needs being met. Providing exclusivity can also be determined per the following:

★7.2. Equity of benefits to sponsors must be maintained. Agreements for different sponsors must be standard and fair. The range of sponsorship support may vary widely in value, and recognition should be commensurate with benefits. If size and logistics of producing promotional materials dictate giving all sponsors equal recognition, provide more substantial sponsors with additional recognition through public address announcements, and number and locations of display. Also, encourage the use of their own signage, banners, displays, etc. This can normally be done at their cost, and will get recognition and support at an equitable level. Disclaimers must be added to their banners.

★7.3. Do not solicit or accept sponsorship from companies that compete directly with AAFES, Services, and other on-base services or products. Unsuccessful bidders or potential contractors that did not bid on Air Force or DoD contracts should not be permitted to use commercial sponsorship as a vehicle for directly competing with successful bidders.

★7.5. DELETED.

★12. Air Force Services NAFIs may sell space for commercial advertising in any media form (publications, printed or electronic signs, etc.) produced for, funded by, or prepared by the NAFI. Payment may be accepted for such advertising subject to the following conditions:

★13.1. Services representatives will not solicit purchase of advertising space in any Services media unless the solicitation is approved by the appropriate SV (for MAJCOM programs) or installation commander (can delegate to services commander/division chief). Ad sales can offset expenses of valid Services unique products, e.g., club calendars and place mats, golf scorecards and yardage books, or Services activity magazines. Do not duplicate or compete with existing commercial enterprise publications, e.g., base papers, guides, maps, etc., or develop new Services media just to generate additional ad revenue. Sales of advertising in/on any media is permitted only after the media has been established as a bona fida information medium for Services activities.

★17. The percentage of total advertising space versus Services information space in printed and in/on non-print media must not exceed 25 percent.

**★Attachment 2**

**Sponsorship Agreement # \_\_\_\_\_**

**SAMPLE COMMERCIAL SPONSORSHIP AGREEMENT**

1. This is a commercial sponsorship agreement describing the responsibilities of the participants for sponsorship support and recognition between the Morale, Welfare and Recreation Fund at \_\_\_\_\_, a nonappropriated fund instrumentality (NAFI) of the Air Force, and the sponsor identified below.

2. The above-named NAFI plans to conduct \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_ on \_\_\_\_\_.

3. The activity responsible for inspection and acceptance of the sponsorship provided under this agreement is \_\_\_\_\_

4. The sponsor and person representing the sponsor are as follows:

Sponsor company name, and contact information. \_\_\_\_\_

5. Sponsor will provide financial and/or in-kind sponsorship support for the event and receive recognition and limited advertising privileges prior to and during this event. The sponsor will furnish the following at the dollar values indicated to the NAFI under the terms and conditions of this agreement \_\_\_\_\_

6. The terms of this agreement are in effect from \_\_\_\_\_ to \_\_\_\_\_.

7. The NAFI will provide the following recognition, advertising, and other benefits to/for the sponsor:

---

---

---

8. Total value of the sponsorship is \_\_\_\_\_. Sponsor will make any checks payable to, and deliver them and any in-kind sponsorship to, the NAFI by \_\_\_\_\_ at \_\_\_\_\_.

9. Terms of Understanding. Additional terms of this agreement are outlined below and the parties, by their signatures, certify their understanding and agreement to the following:

a. The sponsor will relinquish all ownership rights to any cash or other property provided, (unless there are no-cost lease provisions noted in paragraph 5) and will not charge any costs of sponsorship to any part of the Federal Government. Sponsorship provided is for the event sponsored; however, the sponsor agrees that any cash or property left over may be redirected to other programs as determined by the \_\_\_\_\_ (for example, MAJCOM, MAJCOM SV, Services Commander, Division Chief, as appropriate/applicable.)

b. The sponsor will not use the insignia of the US Air Force, including the initials "USAF," or the seal, emblem, Services logo, or any other reference to any part of the Federal Government as an incidental benefit of this sponsorship. The sponsor may not prepare materials incorporating its name into the title of the event.

c. The sponsor and applicable Services unit will include or add the official disclaimer "No Federal endorsement of sponsor(s) intended." to all recognition/advertising media and other promotional materials produced and provided in connection with the event which references the sponsor to avoid the appearance of Federal endorsement. The sponsor will not use any reference to being an "official" vendor, product, or service, of the sponsored event or any part of the Federal Government, e.g., "The official soft drink of the tournament." Any reference implying endorsement is prohibited.

d. The sponsor will submit examples of all sponsor-provided recognition/advertising media, including samples of promotional items for prior review and approval in advance of the event, on \_\_\_\_\_ to allow for review for conformance with Air Force guidelines for promoting and conducting the event. The sponsor will not use its sponsorship in any advertising not addressed in this agreement without written permission from HQ USAF/ILV.

e. This agreement does not provide any television, radio, movie, or video recording or resale rights without prior written approval of the Assistant Secretary of the Air Force for Public Affairs (SAF/PA).

f. Recognition/publicity of the sponsor will be limited to those actions specifically authorized in this agreement. The sponsor may not be given any special concessions or other favored treatment beyond what is outlined in this written agreement.

g. The sponsor will not distribute to military personnel or other participants any premiums, samples, or giveaways with a retail value in excess of \$20.00 per person (no alcohol or tobacco samples regardless of retail value). Any items valued over \$20 must be transferred to the \_\_\_\_\_ MWR Fund and distributed by that NAFI.

h. No assignment by the sponsor, assigning its rights or delegating its obligations under this agreement, will be effective and binding on the NAFI until the written terms of the assignment have been approved in writing by the NAFI representative.

k. No party will be responsible for events beyond its reasonable control, such as acts of God, weather delays, events of national emergency, etc. If the event is postponed due to one of the above, it may be rescheduled or cancelled at the discretion of the NAFI. If the event is rescheduled, the terms of this agreement will only extend to the revised event if agreed to by both parties hereto.

l. This agreement may be terminated by mutual agreement of the parties at any time, and it may be amended by written agreement of the parties and approval by the approval/acceptance authority.

m. The sponsor agrees to allow pictures and narrative descriptions of its sponsorship support to be published for the purpose of informing the public of its support and to illustrate sponsorship recognition in materials publicizing the commercial sponsorship program to other prospective sponsors.

Sponsor

NAFI Representative

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approval/Acceptance Authority

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**★Attachment 3**

**Optional Clauses**

The following clauses are provided as optional. Conditions may vary depending on total sponsorship value, type of sponsorship, or type of event, e.g. indoor events may not require a weather plan.

***Optional Clause***

The alcohol or tobacco product sponsor named in this agreement certifies that it has sponsored similar events in a civilian community and that the offered sponsorship will include the use of responsible consumption materials, and Surgeon General's warnings. Similar events were conducted as follows:

\_\_\_\_\_ (Date) \_\_\_\_\_ (Event) \_\_\_\_\_ (Location) \_\_\_\_\_.

***Optional Clause***

The NAFI will also provide an after-action report to include exposure, media coverage, and any appropriate statistical information within \_\_\_\_\_ days after event.

***Optional Clause***

The sponsor will be granted the first right of refusal for any similar event within the next year. The first right of refusal entitles the current sponsor to match, or exceed, a proposal made by a third party seeking sponsorship of the event. The current sponsor may elect not to exercise this first right of refusal. If the current sponsor does not match or exceed the bona fide offer of the third party, the sponsorship rights may be awarded to the third party.

***Optional Clause***

The sponsor shall indemnify, hold and save harmless, and defend the NAFI, its outlets and customers from any liability, claimed or established for violation or infringement of any patent, copyright, or trademark rights asserted by any third party with respect to goods or services provided as sponsorship. The sponsor further agrees to hold the NAFI harmless from all claims or judgments for damages resulting from the use of goods or services provided as sponsorship, except for such claims or damages caused by, or resulting from the negligence of NAFI customers, employees, agents or representatives. Also, the Sponsor shall at all times hold and save harmless the NAFI, its agents, representatives and employees from any and all suits, claims, charges, and expenses which arise out of acts or omissions of the sponsor, its agents, representatives, or employees.

***Optional Clause***

In the event either party fails to perform or endangers performance of any element of this agreement, the other party may terminate this agreement for default. In the event of a

default termination, the party at fault will be responsible for reimbursing the other party for any costs expended by the party not responsible for the default in anticipation of good-faith performance. Reputation and good will are not bases for damages. If one party disputes the reasons for default or the damages associated with a default termination, the parties will participate in arbitration by a neutral third party. The party at fault for the default will bear the costs for the arbitration. The arbitration will be binding on the parties and there may be no appeal to any other forum of the decision of the arbitrator. Mediation may also be entered upon mutual agreement.

***Optional Clause*** The NAFI may terminate for convenience if military necessity or other factors beyond the control of the NAFI necessitate cancellation of the event. In the case of a termination for convenience, the NAFI will reimburse the other party only for direct expenses paid by the other party up to the time of receipt of notice of termination for convenience. The NAFI will not be responsible for any additional costs in the event of a termination for convenience. The sponsor will have the funds or property provided returned if the event is cancelled or delayed, or at the option of the NAFI, will be accorded the sponsor recognition described above if and when the event is subsequently rescheduled and conducted.

### **Instructions for filling out Commercial Sponsorship Agreement Form**

Sponsorship Agreement #. Develop a system that works for your base/MAJCOM, using an S or U prefix for solicited or unsolicited agreements.

1. Insert the appropriate base name and address
2. Enter the name of the event, an event description, event location, and days and time of the event as applicable.
3. Enter mailing and phone information for contacting the NAFI representative.
4. Enter applicable information on sponsor and or the sponsor representatives.
5. Enter details describing the type, quantity, and dollar value of each type of sponsorship to be provided in support of the event described in Para 2.
6. Enter applicable start and end dates not to exceed one year total.
7. Enter the specific benefits to be provided the sponsor in return for the support identified in Para 5. Insert only those applicable in each particular case. Examples: Pre-event publicity/signage, banners, posters, programs/hand-outs, danglers/counter cards, on-site signage/recognition, (sponsor(s) specific) on-site product displays/demos/sampling, marketing in AAFES (if coordinated and approved with AAFES), in-store radio announcements, registration/sign-up opportunities at events for leads, military and trade publication media, direct mail, PA announcements, VIP recognition, and other.)
8. Enter total dollar value of sponsorship and specific date and address agreed to for delivery of checks or in-kind materials

9.a. Enter determining official.

9.d. Enter applicable date.

9.g. Enter appropriate base name.

Signature Blocks: Type name or sponsor representative signing, title, and date. The NAFI Representative signing the agreement is normally the marketing/sponsorship manager. The approval/Acceptance Authority is that required by the dollar value of the agreement.

Optional Clauses.

Use those clauses that apply to the agreement. Any changes to the agreement format or optional clauses used require prior HQ AFSVA/SVPCM approval.

**★Attachment 4. DELETED.**