

HFMA Region 1 Sponsorship Guide

Adopted September 23, 2014

Region 1 Sponsor Guide

Region 1 Leadership Team Appoints Sponsorship Chairperson and/or Committee for Region 1 Conference

Yearly, the HFMA Region 1 Leadership Team as defined in the Region 1 Operating Agreement will empower a Region 1 Conference sponsorship chair, co-chair or possibly a committee to be in charge of all issues related to Region 1 Conference sponsorship. The chair and/or co-chair will follow this sponsorship guide. Changes from this guide require the approval of the Region 1 Leadership Team.

The Chairperson will usually be a past Regional Executive (RE) who has served as Chairperson of the Region 1 conference. If for some reason a past RE cannot serve as sponsorship chair, the Region 1 leadership team will appoint a duly qualified individual(s) to chair and /or co-chair the sponsorship committee. The chair, co-chair, and committee will be responsible for prospecting, soliciting, recognizing, and trouble-shooting all sponsorship activity.

Determining Desired Financial Results

The sponsorship committee chair is responsible for developing an array of sponsorship opportunities to meet the desired financial target for the Region 1 conference. The financial target will be derived based on areas including previous Region 1 conference activity and the current Region 1 conference budget.

Sponsorship Revenue Tax Considerations

Under certain circumstances, sponsorship revenue is assumed to be tax exempt for Region 1, but NOT Corporate Sponsors. In order for the Region 1 to receive tax-exempt benefits, it must restrict its acknowledgment of the sponsorship fees to mere recognition. No promotion, qualitative description of services, salesperson name, phone number, or address can be supplied by the corporate sponsor in order for the region to consider this revenue as non-taxable.

If these conditions cannot be met, the revenue must be classified as

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advertising revenue, which is subject to taxation. An example of mere recognition:

HFMA Region 1 would like to thank the following sponsors for their support of this conference:

XYZ Insurance Resources
Fort Strength Banking
Executive Risk Recruiters

Note: Only corporate names are mentioned.

Soliciting and receiving qualified sponsorship payments is not an unrelated trade or business and the payments are not subject to unrelated business income tax (UBIT). Therefore, a sponsorship solicitation designed to raise funds to support an activity that is related to the Region's purpose will not generate income tax liability. The form of recognition is an important factor in determining whether a payment is subject to UBIT. If a sponsor is provided one of the forms of recognition listed below that is questionable, the chapter should identify the separate value of that benefit in order to avoid making the entire sponsorship payment subject to UBIT.

A qualified sponsorship payment is any payment made by a person (or company) engaged in a trade or business for which the person/company will receive no substantial benefit other than the *use or acknowledgment of the business name, logo or product lines in connection with the organizations activities*. This use or acknowledgment **may not** include advertising the sponsoring person/company's products or services.

Forms of Sponsorship not subject to UBIT

Forms of recognition that are consistent with the use or acknowledgment requirement above include:

- Use of the company logo or name in the acknowledgment of the sponsor's support of an activity
 - (e.g., HFMA acknowledges the generous financial support of our HFMA Region 1 conference by ABC Company).
- Generally, this form of recognition is well accepted as not crossing the line and is clearly use or acknowledgment as described above.

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- Whether this acknowledgment is provided on a website and whether the acknowledgment includes a hot link does not appear to “cross the line” as of this publication date.
- Region 1 should, however, be careful to not cross the line into advertising (as defined later in this paper) as those payments (or portions thereof) may be subject to UBIT.
- Providing facilities, services, or other privileges to a sponsor in connection with the sponsorship if the facilities or service is not a substantial benefit (e.g., if the HFMA Region 1 provides a free meal in connection with a sponsored dinner event or a registration for an education event). This should be used with some caution.
 - For example, the provision of mailing lists for the entire Region 1 membership to a sponsor of the conference would be considered a substantial benefit. Provision of a list of attendees to the sponsored event may not. If the Region provides such sponsor benefits as full mailing lists of members, multiple memberships, or advertising (in the membership directory or newsletter) should show, separately within the documentation for the transaction, the fair market value of that benefit. This way, if questioned, HFMA Region 1 would be liable for UBIT only on that portion of the payment.

Forms of recognition subject to UBIT

Some forms of recognition (or sponsor benefits) are specifically excluded and are, therefore, subject to UBIT. These include:

- **Contingent Payments.** A payment is not a qualified sponsorship payment if the amount of the payment is dependent upon the level of attendance, ratings, or other factor that measures public exposure and acceptance.

If any sponsorship transaction includes sponsor benefits or forms of recognition like contingent payments, Region 1 should show, separately within the transaction documentation, the fair market value of those benefits as they may be subject to UBIT.

Sponsorship Chairperson Job Description

The sponsorship chair is responsible for the solicitation and recognition of corporate sponsors. The individual will work closely with a co-chair and/or a committee, and also with the conference chair to plan and administer the chapter's corporate sponsorship program.

The sponsorship chair should develop a case statement and business plan for the Region 1 conference that gives sponsors reasons why they should support HFMA Region 1, while at the same time supporting Region 1 goals and objectives. This position is also the contact for past, present, and prospective sponsors.

Sponsorship Chair Responsibilities

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- Develops the annual sponsorship plan (the annual plan) for the Region 1 conference in alignment with the conference's overall budget. The annual plan should also be in support of the Region's overall goals and objectives.
- Chairs the sponsorship committee with the goal of accomplishing the annual plan.
- Manages the Region's liaison with sponsor representatives through comprehensive solicitation, utilizing both phone and mail solicitation.
- Manages the Region's liaison with sponsor representatives through comprehensive recognition, utilizing verbal and print recognition.
- Attends the Region 1 conference to ensure the success of the sponsorship.
- Follows through with sponsors after conclusion of the conference to assess results of the sponsorship and receive feedback and evaluations.
- Provides input on promotional brochures and newsletters to ensure proper recognition of sponsor.

Prospecting for Sponsors

The easiest and most logical way to begin prospecting for sponsors is by turning to past sponsors. If they sponsored once before, they evidently had an interest and are the best prospects. Previous sponsors should be contacted first before soliciting for others. It is best to avoid awkward

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situations by asking a past sponsor to come back before they have to approach you.

Occasionally, a past sponsor may decline sponsorship. Their reasoning may be that they are not financially able to sponsor at this time, they did not feel the sponsorship brought them enough visibility or the visibility was not in front of their target audience. Whatever the reason, do not rule them out for other sponsorship opportunities. If the reasoning was budget related, make sure to let the prospective sponsor know when that Region 1 conference will take place next year and recommend they put the sponsorship into the next year's budget.

If they are not coming back because they did not feel the audience was appropriate, ask questions to find out why. For example, maybe the conference was attended by mostly patient accounts managers and not enough chief financial officers were present. Use this information to determine what other sponsorship opportunities exist.

The easiest sponsors to work with are those who choose to come back time and time again. They know what to expect, probably know quite a few people in the chapter, and are eager for the opportunity. However, do not neglect them just because they are familiar with the sponsorship process. If anything, you must work harder to make sure that they are still receiving and perceiving value from their sponsorship. Keep in touch with them and make sure they are getting the appreciation and respect for investing in Region 1 sponsorship.

Proposals

The easiest proposal is concise and includes:

- ***Background***
 - Summarizes the background of the Region 1 Conference, how many people will attend, dates and locations, and purpose
- ***Proposed Sponsorship Level***
 - Proposes that the sponsor gives a certain dollar amount and receives certain types of recognition in return
- ***Benefits***
 - List the anticipated benefits available to the sponsor. Includes increased visibility, demonstrating leadership in supporting the needs of healthcare finance professionals,

and enhanced credibility as an organization dedicated to excellence

- ***Implementation***

Establishes deadlines for making decision to sponsor and tells again when the project is scheduled to take place

- ***Guidelines***

- Informs the sponsors that there sponsorship control is limited to the visibility of the sponsored activity, not the content, duration, or activities that may occur during a sponsored activity

A reply form to proposals should be developed that:

- Lists the contact person at the HFMA Region with the name, address, phone, e-mail, and fax numbers
- Gives the sponsor a place to sign if they accept the sponsorship or if they need more information
- Explains payment deadlines including what transpires if payment is not received by certain promotional material deadlines
- Clearly defines the refund policy if after payment the sponsor elects to ask for a refund

Typically, each proposal is preceded with a phone call to find out the sponsors interest level and to let them know the proposal is coming. It is important to follow-up with the prospect. Make calls to see if the proposal arrived, to see if more information is needed, or if there are questions. As the deadline approaches, call again to see if a decision has been made.

Sponsorship Recruitment

The Region may choose to do a mass mailing to healthcare industry vendors or to members who represent vendors, inviting them to become sponsors. The letter should be enticing and have the correct contact name at the corporation. In the letter:

- Explain benefits of sponsorship
- Recognition to be received

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- Include a contact name and number within Region 1 to answer any questions
- A deadline date in the letter. If the offer is turned down, this allows time for additional solicitations.

Sponsor Recognition

The main reason a corporation is going to sponsor an HFMA event is for the recognition they will receive among their target audience. Below are several recognition standards

Verbal

Begin the opening session by thanking the sponsors and recognizing each representative by name and title. Insure Region 1 Chair has all sponsors listed correctly.

Printed

Whether the corporation is sponsoring Region 1 shirts, tote bag, etc., list the sponsor's logo, or their name with a thank you message on the Region 1 web site and Region 1 program book.

Display Booths

Region 1 will define in writing the display booth area measurements, the location display table set up, to avoid any misunderstanding and manage expectations. Assignment of display tables will be based on first come basis.

Ribbons

Identify sponsor representatives with a special ribbon on their name badge. They are more visible to the attendees who can ask the representative questions or just say thank you for sponsoring.

Lists

Provide sponsors with registration lists of attendees. Make sure the list includes the name, title, organization, city, and state. Companies can use these lists to justify their sponsorship by proving a highly qualified audience was exposed to their firm. HFMA Region 1 does not give out

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member email addresses and phone numbers. Sponsors who do secure email addresses and phone numbers for purposes of mass emailing or mass phone calling will be requested to refrain from such activity. Failure to comply with this request will be deemed a violation of the HFMA Region 1 Sponsorship Code of Conduct.

Complimentary Registrations

Each exhibit booth purchased receives one full conference registration including meals and educational sessions and an additional sponsor employee invited to join all conference meals (typically including two breakfasts, two lunches and the reception). The value of the registration helps to offset the sponsorship fee and may make a sponsorship more valuable to the firm.

Sponsor Escort

It is important to make sponsor representatives feel welcome at the Region 1 conference. Assign an escort to the sponsor representative so that key introductions can be made and the sponsor will not feel left out during the event. Key introductions include the chapter presidents and Region 1 Leadership team. This individualized attention increases the probability of continued support from the sponsor.

Region 1 Web site

Include a mention of the sponsors on this site with a display of the sponsor's logo.

Recommended Strategies- Exhibit Booths

Right of First Refusal

If a firm has purchased an exhibit booth for the upcoming Region 1 conference, it is proper to provide the sponsor the first right of refusal one week before the upcoming Region 1 conference to determine if they wish to be sponsor again for the next year's conference. The expectation would be that the right of first refusal would be submitted no later than one month of the conference conclusion. This right of refusal is simply to gauge whether they will be sponsor again for next year's conference. A formal agreement should be forwarded which

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forms the contractual basis for billing. The agreement should also indicate a deadline and a process to acknowledge their request and granting of sponsorship opportunity [s]. It should also include wording that if payment is not received by a deadline date, their logo will not appear in any early bird or pre conference marketing material until such time as payment is received.

Assignment of Exhibit Booth Locations

Booths are assigned based on first come, first served based on a signed agreement. All signed agreements must be submitted via email to provide an audit trail for date/time of submission. However, failure to make payment by the published due date will lead to a loss of booth location until payment is received.

New Sponsors for Exhibit Booth

After a determination has been made of total booths available, compared to renewing committed sponsors, marketing material may be prepared so the committee can contact other potential sponsors about the remaining exhibit booth opportunities.

Waiting List for Exhibit Booth

Once the maximum numbers of exhibit booth spaces have been reached, a waiting list will be maintained. If there is a cancellation, that exhibit booth will be awarded on a first come, first served basis.

Maintaining a Calendar

It is important to keep a calendar to state deadlines for Region 1 sponsorship. Corporations have different budget years and often need a year's notice to budget a sponsorship.

Sponsored Activity Reporting Requirements

Be prepared to give the sponsor a qualitative and/or quantitative report about the sponsored event. This can include the number of people, who attended, as well as their titles and organization type, the registrants' overall evaluation of the conference, and, if the chapter desires, how the sponsorship money was spent. Sponsorship is mutually beneficial

and provides recognition and an opportunity for a firm to be exposed to its target market.

Follow-up

Follow-up with the sponsor to determine areas of improvement after the conference has ended. Find out how the sponsor felt about the recognition they received and about their overall involvement with the event. The sponsor can often make suggestions the Region has not thought about. By doing this, the sponsored activity is not only improved the next time, but the sponsor may be more willing to come back or even increase the sponsorship amount.

Recommended Strategies Other Sponsorship Opportunities [OSO]

Other Sponsorship Opportunities

If a firm has purchased an exhibit booth for the upcoming Region 1 conference, that sponsor also has the opportunity to sponsor other activities. [For example: luncheons, opening speakers] The sponsorship chair will provide a menu listing of all such opportunities with pricing considerations. The sponsorship chair will publish this menu within 9 months of the next Region 1 conference with a disclaimer that other opportunities not listed may be added as the conference draws near [i.e. popcorn stand]

Right of Expressing Interest to Sponsor Again

If a firm has purchased an OSO for the upcoming Region 1 conference, it is proper to give them consideration and opportunity over new sponsors for next year's conference OSO. One week following the conference, a form should be delivered to all current sponsors asking if the sponsor has interest in sponsoring an OSO activity again for the next year's conference. This statement of interest to replay would state that Region 1 is gauging interest for all returning sponsors. The sponsor should indicate:

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[1] Their interest to sponsor an OSO activity

[2] Their prioritization of listed sponsorship opportunities [Note: The listing should clearly indicate the list is of KNOWN sponsorship events as of the mailing. Nothing precludes other sponsorship opportunities to open up as the conference draws near]

[3] Their understanding that OSO activities will be awarded first to repeating sponsorships.

[4] In case of competing interests for the exact same OSO activity, sponsors will be contacted to gather feedback as to their willingness to be co-sponsors, or sponsor another OSO event.

[5] The assignment of OSO sponsorship is at the sole discretion of the sponsorship chair and Region 1 Leadership team.

If the Region has more than one firm interested in sponsoring a particular OSO event or item, consider discussing co-sponsorships or other sponsorship opportunities during the conference.

Catalog Approach

By putting together a mini-catalog listing all the chapter sponsorship opportunities for the conference, the Region can eliminate the hassle of having to do proposals for each and every event. In the catalog, list the event, a description, and the recognition available. Do a mailing or send an email to healthcare vendors after the rite of first interest and other sponsorship marketing activity.

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Sponsors Code of Conduct

- HFMA Region 1 sponsors will conduct their sponsorship activity in a professional and respectful style
- HFMA Region 1 sponsors are not to secure email addresses and phone numbers for purposes of mass emailing or mass phone calling
- HFMA Region 1 sponsors will not harass HFMA members either through excessive emails or voice mails
- Sponsors agree not to hold a competing function from the day before the conference through the end date of the conference
- HFMA Region 1 sponsors will be civil in all their dealings with HFMA Region 1 leadership and attendees

Region 1 Sponsors are expected to follow the Sponsorship Code of Conduct. Depending on the nature of a code violation, failure to comply with this code will lead anywhere from an initial verbal discussion and request to sponsors being prohibited from future sponsorship

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Sponsorship Payment and Refund Policies

Prior to any renewal or solicitation of sponsors for the next Region 1 conference, a timeline and refund policy should be established and published to ensure a consistent expectation regarding deadlines. This timeline should note that if payment is not received by the first marketing activity which indicates sponsors, that sponsor's logo will not appear on any material even though a signed contract has been obtained. The sponsor's logo will not appear on future marketing material until such time as payment is received. There will be no pro-rationing of sponsorship rates for failure to submit payment by marketing deadlines.

Any sponsors, who make payment in full for a sponsor activity, will be refunded according to the attached schedule:

Notification Received	Refund
30 days or greater to production of initial marketing mailing	Full Refund
30 days or less to production of initial marketing mailing	75% Refund
30 days or greater prior to production of secondary marketing material	25% Refund
After secondary marketing material prepared	No Refund