

Army Commercial Sponsorship and Advertising Financial Reporting Guidance

- References:
- (a) FY11 Financial Operating Guidance
 - (b) Internal Audit, CFSC-IR, January 14, 2000
 - (c) Results of Sponsorship PAT Team, April 27-28, 1999
 - (d) U.S. Army Audit Agency, Audit Report: AA 7-56; March 5, 1997
 - (e) AR 215-1, September 24, 2010
 - (d) DoDI 1015.1, Encl 11 + 12, July 6, 2009, incorporated change May 6, 2011

1. Program Reporting Requirements

a. Installation sponsorship and advertising managers will submit financial reports and required support documentation to the IMCOM G9 Family & MWR Marketing Division Office and the region Marketing POC indicating sponsorship and advertising revenue generated and expenses incurred during FY11.

b. The IMCOM G9 Family & MWR Marketing Division Office's point of contact will check the reports for completeness and accuracy; incomplete reports will not be accepted and returned to the garrison for completion.

c. The IMCOM G9 Family & MWR Marketing Division Office will compile the garrison reports into an Army-wide report.

d. These actions will comply with the reporting requirements stipulated by Internal Review and the U.S. Army Audit Agency.

2. Reporting Guidelines. Generated revenue will be broken down into two categories.

a. Advertising. Measurement: Actual value of monies from commercial advertiser. Installation and region managers will work closely with the Financial Management Division (FMD) to ensure financial reports reflect advertising revenue generated during reporting time frame.

b. Sponsorship.

1) Cash. Measurement: Actual value of monies received. Installation and REGION managers will work closely with the FMD to ensure financial reports accurately reflect cash revenue generated during reporting time frame.

2) Product or Services In-kind.

a) *Budgeted/Cost Avoidance Items*. Examples are trophies, entertainment, uniforms, cell phones or water for a fun run; items that normally are included in the program or event budget. Measurement: 100% of Cost of Goods Sold or what the Fund would pay to purchase the item.

b) *Media*. Examples are newspapers, radio stations, television stations, cable companies, internet companies or other media organizations. Measurement: 50% of stated retail or rate card value after subtracting all advertising purchased by the installation.

c) *Program Enhancement*. Examples are free drawing or raffle prizes and trips or items not included in the program or event budget but increase the perceived value of the program or event. Prizes for chance events, such as a Hole in One Golf Contest, would be categorized under program enhancement if the prize is won. Measurement: 50% of stated retail value for any single item valued at \$150 or higher.

3. Expenses. All expenses related directly to the sponsorship and advertising program should be reported for GS and NAF employees (including the sponsorship program manager/ coordinator's expenses charged to an overhead function program code such as marketing.)

a. *Labor*. Total labor costs to include overtime, compensatory time and total benefits package. If person has additional responsibilities besides sponsorship, the appropriate percentage of the salary spent doing sponsorship and/or advertising should be reported, i.e. 25%. If administrative support is utilized, the appropriate percentage of that individual's salary should be reported under labor costs.

b. *Cost of Sales*. The cost of any item used in sponsorship and advertising sales should be reported. Examples of such items are general supplies, advertisements of sponsorship opportunities, printed solicitation pieces or proposals, direct mailings, promotional items purchased for sponsors, sponsorship recognition and appreciation events or dinners.

c. *Associated Costs*. Any associated costs should be reported. Examples are travel expenses, postage, freight, delivery expenses such as FedEx, and long distance phone calls.

d. *Training/Professional Development*. All sponsorship training and professional development opportunities will be reported. Examples are industry association memberships, related coursework, and conference registration fees.

NOTE: Reporting of expenses is **NOT** optional. Please consult with your financial manager for accurate reporting.

4. Additional Reporting Guidance

a. Prizes for chance events, such as a Hole in One Golf Contest, would be categorized under program enhancement if the prize is won.

b. Single items valued at less than \$150 and not included in the program or event budget cannot be reported as in-kind revenue.

c. The IMCOM G9 Family and MWR Marketing Division has published financial reporting guidance accompanying the NAF FY11 Financial Operating Guidance. It can be reviewed on the www.mwrbrandcentral.com website under Corporate Sponsorship.

d. At Enclosure 2 is the reporting packet of three different reporting forms as well as Sponsorship and Advertising Representative Information sheets. Enclosure 3 is a copy of the NAF FY11 Operating Guidance for Sponsorship and Advertising revenue and expenses, printed from the www.mwrbrandcentral.com web site.

e. Any advertising for Army Lodging must be reported separately since it is accounted for in the Army Lodging Fund, which is a separate financial entity from the Army MWR Fund.

Therefore, the Income and Expenses Report form breaks out the Advertising Income for Lodging.

f. Any sponsorship income from financial institutions must be reported separately. (This data will be used in discussions with the Army Banking Liaison Officer about accepting off-post financial institutions as sponsors at the garrisons.)

g. Enclosure 4 includes detailed instructions for completion of the forms.

h. Also attached is a template for a designation letter (Enclosure 5). Per AR 215-1, chapter 11, para 3 and para 13 all sponsorship and advertising personnel must be designated in writing by command authority, normally the DFMWR or Garrison Commander. In addition, all sponsorship and advertising personnel must have completed the C00538 - Commercial Sponsorship Online Training and the annual Ethics training. An updated designation letter together with the certifications of completion for the above required training must be submitted with the FY11 report.

i. All documents of the reporting package are posted on the www.mwrbrandcentral.com website under Corporate Sponsorship.

5. POC for this action is Gabriele Drechsel, Senior Program Analyst, at (210) 466-1860 (DSN 471-1860) or Gabriele.Drechsel@us.army.mil, IMCOM G9 Family & MWR Marketing Division, 2450 Connell Road, Fort Sam Houston, Texas 78234.