

## **Sponsorship or Donation...That is the Question!**

Dairy promotion funds granted from the Dairy Farmers of Wisconsin (DFW) Board of Directors are for the specific use of building consumer trust in Wisconsin dairy and dairy farming at the local level. We know that the state's Champions of Dairy (e.g., voluntary promotion groups) are excellent stewards of dairy farmer dollars and are essential advocates for Wisconsin dairy and dairy farmers. Our dairy farmers entrust us to get the most promotion and education opportunities through their hard-earned dollars.

According to the Department of Agriculture, Trade and Consumer Protection Administration code, Dairy Promotion funding from Dairy Farmers of Wisconsin **cannot** be used to:

1. Influence state or federal legislation or rulemaking – ATCP 140.47(e) & Chapter 96.16
2. Directly impact milk pricing or supply – Chapter 96.18
3. Make or deliver products – ATCP140.47(5)
4. Make any gift or gratuitous payment for which the recipient gives no bona fide consideration. - ATCP140.47(6)

There are a lot more things that you CAN do with promotion funding than you cannot. An area that frequently comes into question is #4 – donations. **Promotion Funds from Dairy Farmers of Wisconsin cannot and should not be used for cash OR product donations.** Often when we chat with a promotion group, we find that 99% of the time, a promotion or activity is genuinely a sponsorship, but it is incorrectly reported as a donation.

### ***Sponsorship or Donation?***

While many of us have used these words interchangeably, there is a big difference when it comes to Dairy Promotion Funding from the Dairy Farmers of Wisconsin. Let's explore these two concepts and how their meanings can win you promotion praise or get you in hot milk!

According to [giveround.com](http://giveround.com), "The main difference between a sponsorship and a donation is that sponsorships are based on reciprocity – where cash or in-kind gifts are contributed, in exchange for marketing or advertising consideration."

In other words, both parties benefit from the exchange of money or in-kind product. Sponsorships can be an excellent opportunity to support a local cause while gaining recognition of Wisconsin dairy farmers and your dairy promotion committee with consumers in your community.

A hallmark of a donation is that only one-party benefits from the transaction by receiving dollars or an in-kind product. Contributions to a great cause give us all warm fuzzies, but are not permitted.

Donations of money or product do not provide our dairy farmers or products any promotion or education using their dollars.

***Suppose your committee does not receive or seek any public recognition or have any control over how your dollars or product is used. In that case, it is really a donation - which is not an appropriate use of check-off funding. (See #4)***

If your committee raises additional funds through events and fundraisers, your committee controls those dollars. If you choose to donate, be sure to utilize funds sourced/raised outside of the annual dairy promotion funding dollars from DFW and do not include the DFW Promotion Partner logo or DFW name on the donation.

One area that could be clearer for many promotion groups is providing dairy products or dollars to purchase dairy products for a community organization or event. The next time your committee is approached about this type of support, ask these quick questions to ensure you are getting an actual sponsorship on your investment.

- Is your committee getting your name, logo, and DFW Promotion Partner logo or combination placed on event fliers, banners, or other promotional materials?
- Will you receive an opportunity to provide educational materials and signage or have a booth/table at the event or activity?
- Is your committee recognized in any local publications for investment in the event/promotion?
- Is your committee's name, logo, and DFW logo being recognized on the event's social media (Facebook, Instagram, or Website)?

It is a sponsorship if you answer "yes" to any of these questions! Please report this as such on your funding report.

If you answer "no" to all of these questions, the situation is likely a donation, and your committee should use funds raised outside DFW Dairy Promotion funding.

**Sponsorship or Donation?** Ready to test yourself? Read the following scenarios and determine if the activity is a sponsorship or a donation. Assume all dollars are DFW Dairy Promotion Funds unless noted.

**1)** Your committee allocates \$500 for milk at a local FFA Day on the Farm event. In exchange, your committee is invited to set up a booth to run Wisconsin dairy trivia with the participants at the event.

**2)** Your committee is solicited to sponsor a cheese tray at a 4-H Bowl-a-Thon to raise money for a local pet shelter. Your committee provides cheese. The 4-H Club posts the following statement on its Facebook page. "Thank you to all the local businesses and organizations that

sponsored our Bowl-A-Thon refreshments and door prizes. The event wouldn't have been a success without your support!"

**3)** Your dairy promotion committee is asked to provide 750 pints of chocolate milk at a community race. In exchange for the chocolate milk, your committee logo is included on a banner and in the event fliers. Your committee has the opportunity to put "Recover with Chocolate Milk" brochures in the runner packets.

**4)** A local dairy farm family experiences a farm accident. A benefit fund is set up for the family. Your committee uses dollars earned from your June Dairy Breakfast in the amount of \$500 to support the fund.

**5)** A local food pantry asks your committee to sponsor milk for a month by giving a cash sum to cover the cost of the milk. Your committee writes a check to the pantry for the milk. Your committee receives a thank you card in the mail thanking you for the donation that will be put into the area of greatest need.

Answers

1) *Sponsorship* – The committee receives booth space for education/promotion at the event.

2) *Donation* – The committee is not individually recognized for sponsorship, nor is there an opportunity to educate/promote at the event. Not an approved use of dairy promotion funds.

3) *Sponsorship* – Logo/Name opportunity with event materials and education/promotion opportunity provided.

4) *Donation* – BUT...this is a-okay so long as you do not use DFW grant funds or include the DFW Promotion Partner logo. REMINDER – DO NOT include this on your DFW Funding Application.

5) *Donation* – No promotion or education is tied to money. There is also no verification that the dollars were used for milk or dairy. This is not an approved use of DFW dairy promotion funds.

I am sure you answered these questions perfectly! If your committee is still trying to figure out promotion and education opportunities that arise, please feel free to contact DFW.

Thank you for continuing to be good stewards of dairy check-off funds by allocating funding from DFW towards the outstanding dairy promotions and educational work you have done and continue to do in your communities. And thank you for any additional work you do to raise funds that help support donations of all kinds to support your local communities. If you have any questions about funds, please contact Tina Peterson at [tpeterson@wisconsindairy.org](mailto:tpeterson@wisconsindairy.org) or call [608-577-6842](tel:608-577-6842).

### **Promotion while supporting local food insecurity efforts**

Dairy is one of the most requested items at food banks, but due to the perishability of most dairy products, it can take a lot of work to fill. While promotion funds received from Dairy Farmers of **Wisconsin should not be used** for direct donations to food pantries, promotion dollars can help build awareness for dairy and raise awareness for food pantries.