

Special Olympics General Rules on Fundraising

Fundraising and development information can be found **in Article 8** of the General Rules and is reproduced here. Portions of **Articles 4 and 6** have relevant information to fundraising functions such as the use of Special Olympics marks, display of commercial messages, alcohol policies, voluntary standards and use of athlete likenesses. In addition, **Article 9** provides information on the development of an annual plan and revenue and expense statement which impacts fundraising as well. The General Rules are available on the Knowledge Management System (KMS) under “Knowledge & Collaboration.” Select “General Information,” then click on General Rules.

Please familiarize yourself with these and refer to them as you develop fundraising initiatives and relationships. Also be aware that amendments to the General Rules are made periodically.

Article 8

Fundraising and Development

Section 8.01. Division of Fundraising Responsibilities within Special Olympics.

Each Accredited Program is solely responsible for raising the funds needed to pay for its own program and administrative operations. Special Olympics (SOI) is responsible for raising the funds needed for SOI's programs and administrative operations, and for supporting the growth of existing Accredited Programs (through grants from SOI and other means) as well as the worldwide expansion of Special Olympics. SOI has the exclusive authority within Special Olympics to conduct, or to approve arrangements for, a broad range of fundraising activities, including (but not necessarily limited to), those which are conducted on a worldwide, regional, or continental basis, or on a multi-U.S. Program basis within the United States, as provided in Section 8.02. Subject to SOI's exclusive authority as provided in these General Rules, Accredited Programs have the authority to engage in or authorize certain types of fundraising activities conducted entirely within their respective geographic jurisdictions, as set forth in this Article 8.

Section 8.02. SOI's Exclusive Authority.

SOI has the exclusive right and authority to conduct (or to authorize third parties to conduct) any or all of the following activities for the purpose of raising funds for the benefit of SOI and/or Special Olympics:

(a) **Worldwide and World Games Sponsors.** To enter into all agreements and arrangements for support from corporate and other organizational sponsors (collectively, "**Corporate Sponsorships**") for the Special Olympics Movement and for all World Games; SOI may authorize a GOC to arrange for certain Corporate Sponsorships for World Games, on terms to be set forth in SOI's written contract with that GOC concerning those World Games.

(b) **Licensing Use of "Special Olympics" Name.** To enter into all agreements which contemplate or require that a corporate sponsor or any other third party be granted authorization to make any use of the name "Special Olympics," either in marketing its own products or services (such as through a cause-related marketing promotion in which the public is informed that its purchase of a particular item will raise funds for Special Olympics), in sponsoring a particular event, or in acknowledging its own support for the Special Olympics Movement (such as where a sponsor publicizes that it is a supporter of "Special Olympics").

(c) **Multi-Jurisdictional Activities.** To arrange for (or to approve in advance all agreements made by Accredited Programs concerning) all fundraising activities, including but not limited to, Corporate Sponsorships, cause-related marketing promotions and/or fundraising or promotional events which will be conducted either: (i) on a worldwide basis; (ii) on a multi-national basis through activities conducted in the jurisdictions of two or more National Programs; (iii) on a multi-state basis within the United States, through activities conducted in the jurisdictions of two or more U.S. Programs; or (iv) via the Internet or worldwide web.

(d) **Regional Sponsors and Regional Games Sponsors.** To approve all Corporate Sponsorships for Regional Games and Regional U.S. Games, Corporate Sponsorships of a particular Region or continent within a Region, and/or Corporate Sponsorships of two or more National Programs, or of two or more U.S. Programs, whether or not those Corporate Sponsorship arrangements involve the sponsorship or support of Games; in the case of Regional Games, Multi-National Games or U.S. Multi-State Games, SOI may authorize a GOC, a hosting National Program or a hosting U.S. Program (if applicable) to arrange for certain Corporate Sponsorships for such Games, on terms to be set forth in SOI's written contract with that GOC or that hosting Accredited Program concerning those Games.

(e) **Multi-Jurisdictional and International Fundraising for the Torch Run.** To arrange for or authorize in advance all multi-Program, Regional and international Corporate Sponsorships and all other multi-Program, Regional and international fundraising activities or events which are designed to raise funds through or for the Torch Run; SOI may authorize the Torch Run Executive Council to plan or conduct specific fundraising events for the Torch Run, either through its own efforts (with assistance from Accredited Programs) or in collaboration with law enforcement organizations whose members participate in the Torch Run.

(f) **Selection of Official Supplier of Awards.** To select and contract with all third-party suppliers who are authorized to manufacture and distribute to Accredited Programs all medals, ribbons and other items which are required by these General Rules or the SOI Sports Rules to be distributed as awards to Special Olympics athletes during Special Olympics competitions.

(g) **Endowment Fundraising.** To conduct (or to authorize third parties to conduct) all fundraising activities which are dedicated to or directed at the development of an endowment fund for the benefit of the Special Olympics Movement.

(h) **Foundation Grants.** To approach and seek grants or other forms of funding from foundations, wherever located, which offer grants or other types of financial support to non-profit organizations, except that Accredited Programs may also seek such funding in accordance with Section 8.03(e).

(i) **Planned and Deferred Gifts.** To develop uniform written guidelines for soliciting and administering planned or deferred gifts or bequests from members of the general public (the "SO Planned Giving Guidelines") and to authorize the creation of any separate or discrete funds or trusts which seek to pool donations resulting from multi-state or multi-jurisdictional solicitations for ultimate redistribution among two or more Accredited Programs, such as pooled income funds ("**Comingled Fund(s)**"); once SOI develops and issues the Special Olympics Planned Giving Guidelines, any Accredited Program may solicit planned and deferred gifts and bequests within its jurisdiction, so long as such solicitations comply with the minimum requirements of the Special Olympics Planned Giving Guidelines; in addition, SOI shall develop the Special Olympics Planned Giving Guidelines, including guidelines concerning the permitted creation or use of Comingled Funds by Accredited Programs, in collaboration with a Planned Giving Task Force to be appointed by SOI; the Planned Giving Task Force shall include representatives of Accredited Programs with experience or interest in the solicitation of planned or deferred gifts or bequests.

(j) **U.S. National and International Direct Marketing Activities; Centralized Direct Mail Program.** To conduct, or to authorize third parties to conduct, all direct marketing fundraising projects for the benefit of SOI or Special Olympics, including direct mail and telemarketing solicitations, on an international or regional basis, or nationally or on a multi-Program basis within the United States. Within the United States, SOI conducts a national, centralized direct mail program (the "**CDMP**") for the joint benefit of SOI and participating U.S. Programs, which may voluntarily elect to participate in the CDMP in lieu of conducting their own direct mail solicitations. SOI may also develop similar direct mail or other direct marketing programs on a national, Regional or global level, for voluntary participation by Accredited Programs on terms to be set forth in agreements between SOI and each participating Program.

(k) **Internet, On-Line and Similar Methods of Fundraising.** To make all arrangements concerning any fundraising activities which are to be undertaken for the benefit of Special Olympics, SOI, or any Accredited Program using the Internet, the

World Wide Web, or any other form of international or interstate computer-based or telecommunications technology other than mere telephone solicitation, whether presently known or developed in the future, which involves the solicitation or receipt of contributions through computer-based marketing of goods or services, electronic mail messages to or from donors, on-line communications to a central area (such as an on-line service or the "home page" of an Accredited Program or third-party fund-raiser) (collectively, "**Electronic Fundraising**"). In order to promote uniform standards for all Electronic Fundraising conducted in the name or for the benefit of Special Olympics, SOI shall provide written guidelines for the use of all Accredited Programs concerning the circumstances under which Accredited Programs may engage in Electronic Fundraising, in collaboration with an Internet Fundraising Task Force to be appointed by SOI. No Accredited Program shall engage in any Electronic Fundraising, or take any steps to develop its own "home page" or Internet address on or through the World Wide Web, without SOI's prior written consent, unless those activities are authorized by, and are conducted in accordance with, SOI's written guidelines, and any Accredited Program that already has a home page or Internet address on the date this subsection takes effect shall comply with such guidelines as soon as practical after they are promulgated.

(l) **Fundraising with Amateur or Professional Sports Associations or Franchises.** To conduct or authorize any fundraising activities or promotional events which are sponsored by, or held with the support or participation of, amateur sports associations or amateur sports leagues, professional sports associations or professional sports leagues, such as the National Basketball Association, Major League Baseball, the National Hockey League, the International Hockey League, the Federation Internationale de Football Association, or the Professional Golf Association, whenever such league or association has teams or holds events in more than one Accredited Program's jurisdiction, regardless of whether the proposed fundraising events or activities will be limited to a particular location or conducted on a multi-Program, regional or international basis. (As provided in Section 8.03(1), an individual Accredited Program is not prohibited by this subsection from soliciting or accepting sponsorship support or other types of financial support from any amateur or professional sports team located within its jurisdiction or from associations or leagues which are based entirely in its jurisdiction.)

(m) **Other SOI Fundraising.** In addition to SOI's exclusive authority under this Section 8.02, SOI also has the authority to conduct or authorize all other fundraising activities not specifically enumerated in this Section 8.02, including but not limited to cause-related marketing promotion projects, Corporate Sponsorship arrangements, special events and workplace and payroll-deduction giving, except that SOI's authority in these areas is non-exclusive to the extent that Accredited Programs have the express authority under Section 8.03 to conduct certain types of fundraising within their respective geographic jurisdictions.

Section 8.03. **Authority of Accredited Programs.**

Each Accredited Program is authorized to engage in the types of fundraising activities described in this Section 8.03, but only if and to the extent that: (i) all

programs, events, activities and promotions associated with such fundraising activities are conducted entirely within the Accredited Program's jurisdiction; (ii) no agreements made by the Accredited Program with third parties concerning such activities shall extend beyond the scheduled expiration of that Accredited Program's Accreditation Period, except as further provided in Section 8.04(l); (iii) the activities are conducted only in the name of, or for the express support of, the Accredited Program (such as "Special Olympics Argentina"), and not under the generic name "Special Olympics;" and (iv) the activities described are conducted in accordance with the other requirements of these General Rules, including the Sponsorship Recognition Requirements in Section 8.06. Each Accredited Program may:

- (a) **Corporate Sponsorships.** Arrange for Corporate Sponsorships with corporations or other organizations which have offices or operations in that Accredited Program's jurisdiction.
- (b) **Cause-Related Marketing Promotion.** Authorize promotions through which contributions are made to the Accredited Program in connection with the marketing and sale of products or services to the general public.
- (c) **Special Events.** Authorize the conduct of fundraising events in accordance with these General Rules and the other Uniform Standards, for the purpose of raising contributions to the Accredited Program from the public, such as through the sale of tickets for admission to the event, the sale of food or refreshments during the event, or any other methods permitted by applicable law and the Uniform Standards.
- (d) **Direct Marketing Activities.** Conduct, or authorize reputable and experienced third-party fund-raisers to conduct, mass direct mail solicitations and/or mass telephone solicitations of businesses or of the general public within that Accredited Program's jurisdiction (unless, in the United States, that Program has elected to participate exclusively in the CDMP by written agreement with SOI, or if applicable, a National Program has a written contract with SOI through which that National Program has agreed to participate exclusively in a national, regional or international direct mail program conducted by SOI).
- (e) **Support from Foundations.** Approach and seek grants or other forms of funding from foundations headquartered in the Accredited Program's jurisdiction.
- (f) **Workplace and Payroll Deduction Giving.** Participate in any workplace giving or payroll deduction programs operated by private or public employers within the jurisdiction of the Accredited Program, if the Accredited Program is eligible to participate based on the geographic and other eligibility requirements established by the employer-operators of the particular program.
- (g) **Special Fundraising Accounts.** Establish one or more restricted bank accounts for depositing contributions which were dedicated by the donor to creating and

preserving long-term financial stability for the Accredited Program, so long as all funds in such accounts are recorded and handled by the Accredited Program as Program assets, and are spent in accordance with the expressed wishes of the donor, the requirements of applicable law and these General Rules.

(h) **Licensing Use of the Accredited Program's Name.** Raise funds by licensing appropriate third parties, consistent with the requirements of these General Rules and other Uniform Standards, to use the name of the Accredited Program in marketing a third party's products or services, or in acknowledging a third party's support for the Accredited Program.

(i) **Proposals for SOI's Approval.** Propose, for SOI's review and prior written approval, specific Regional or other multi-jurisdictional fundraising projects involving more than one Accredited Program. Any such proposals shall be in writing, and shall be submitted to SOI at least three (3) months before the proposed starting date for the project.

(j) **Sub-Program Fundraising.** Permit its respective accredited Sub-Programs to conduct fundraising activities within that Sub-Program's jurisdiction on the same basis as the accrediting Accredited Program may conduct such activities on a Program-wide basis under this Article 8, subject to the accrediting Program's obligation to exercise proper supervision and control over such Sub-Program activities, as required by Sections 5.21 and 8.04(k).

(k) **Government Funding.** Seek funding from governmental authorities within its jurisdiction, so long as acceptance of public funds does not jeopardize the Accredited Program's ability to meet its obligations under these General Rules or other Uniform Standards.

(l) **Support from Amateur or Professional Sports Teams.** Solicit and accept financial or in-kind support from, or enter into sponsorships or other supportive affiliations with, any amateur or professional sports team located in that Accredited Program's jurisdiction or any amateur or sports league or association that is based entirely in and conducts all of its events in the Accredited Program's jurisdiction. (For example, Special Olympics Canada may accept such support from the Toronto Blue Jays professional baseball franchise, but not from Major League Baseball.)

Section 8.04. **Fundraising Responsibilities of Accredited Programs.**

(a) **Compliance with Laws and Voluntary Standards.** Every Accredited Program and GOC shall comply with all laws and regulations which govern its fundraising activities, including laws regulating charitable solicitation and cause-related marketing promotion arrangements with commercial co-venturers and all requirements concerning the filing or registration of contracts with appropriate governmental authorities. Every Accredited Program shall also ensure that its fundraising activities

comply with the Voluntary Standards defined in Section 4.11, where such Voluntary Standards govern non-profit organizations in that Program's jurisdiction.

(b) **Compliance with SOI's Contract Policies.** All fundraising agreements between Accredited Programs or GOC's and any third parties shall be in writing, and must comply with the contracting standards set forth in Section 8.07.

(c) **Cooperation with SOI's Fundraising Activities.** Each Accredited Program shall use its best efforts to cooperate with SOI in connection with all fundraising events and activities which SOI conducts pursuant to SOI's authority in Section 8.02, even if those activities occur, either entirely or in part, within an Accredited Program's geographic jurisdiction. For example, Accredited Programs shall cooperate with, and use their best efforts to assist SOI in, cause-related marketing promotions or special events authorized by SOI which are being conducted in their jurisdictions. SOI will keep all Accredited Programs apprised of all SOI-authorized fundraising activities being conducted in their respective jurisdictions in order to facilitate compliance by Accredited Programs with the requirements of this Section 8.04(c).

(d) **Licensing Use of Special Olympics Marks.** An Accredited Program may grant licenses or authority within its jurisdiction to its corporate sponsors, or to other third parties involved in fundraising projects for the benefit of that Accredited Program, to use the Accredited Program's full program name, including geographic designation, such as "Special Olympics South Africa," or "Special Olympics Maine," either standing alone or juxtaposed with the Special Olympics Logo in the manner required by the Graphics Standards Guide. All such licenses shall comply with all requirements of these General Rules and the other Uniform Standards. No Accredited Program may grant any license or authority to any third party to use the name "Special Olympics," SOI's name, the Special Olympics Logo when not used in juxtaposition with the name of the Accredited Program, or any other Special Olympics Mark.

(e) **Compliance with Uniform Standards.** All fundraising activities engaged in or authorized by an Accredited Program shall comply with all other requirements of these General Rules and the other Uniform Standards, including, without limitation, the policies set forth in Sections 4.08 and 4.09 concerning, respectively, the display of commercial messages on athletes' uniforms and competition numbers during competition, and prohibited associations with alcoholic beverages and tobacco products. No Accredited Program shall engage in or permit any fundraising activities in its jurisdiction, even if that activity would otherwise be within the scope of the Accredited Program's authority under this Article 8, if that activity would be otherwise prohibited by any other provision of the Uniform Standards.

(f) **Names of Program and Fundraising Events; Identification of Sponsors.**

(1) **Identification of Sponsors.** Corporate sponsors or other organizations which support Accredited Programs shall be recognized by Accredited

Programs only as "sponsors," "providers," or "supporters" of the Accredited Program, or other similar terminology. Accredited Programs shall not permit such companies to include the name "Special Olympics," the name of the Accredited Program, or any other Special Olympics Mark in their own names or in the names of their products or services.

(2) **Names of Program Events.** Accredited Programs shall not permit any corporate sponsor or other organizational supporter of the Accredited Program to add its company or product names to the name of any Special Olympics Games, Tournament, demonstrations or any other training or competition event.

(3) **Names of Fundraising Events.** Corporate sponsors or other organizational supporters of an Accredited Program which conduct their own promotional or fundraising events for the benefit of the Accredited Program may identify their own events using their company or product names, and indicate that the events are "for the benefit of" the Accredited Program, but shall be required to use the name of the Accredited Program only in accordance with the Uniform Standards, and with any more specific requirements which may be imposed by the affected Accredited Program. SOI shall have an ongoing right to approve the ways in which any Special Olympics Mark is used by such companies, or by Accredited Programs, in announcing and publicizing their support for Special Olympics.

(g) **Compliance with Official Supplier Requirements.** SOI shall be solely responsible for selecting and contracting with one or more official suppliers of all medals, ribbons and other athletic awards to be used in the Special Olympics Movement (collectively, "**Awards**"). Accredited Programs shall obtain all Awards only from those official supplier(s) designated by SOI through SOI's written notice to Accredited Programs. Only those Awards which have been approved by SOI, and which are manufactured and distributed with SOI's prior written authorization, may be distributed to athletes during Special Olympics competitions. SOI shall determine the size, design, composition and quality of all Awards used during Special Olympics competitions, and shall be responsible for ensuring that all authorized suppliers of Awards manufacture those Awards in accordance with standard dyes and specifications provided by and approved by SOI. SOI shall also be responsible for ensuring that its authorized suppliers of Awards have the capability to provide Awards to all Accredited Programs on reasonable financial and delivery terms.

(h) **Compliance with Sponsorship Requirements.** All Accredited Programs shall comply with the sponsorship designations in Section 8.05.

(i) **Participation in Direct Mail Programs.** If an Accredited Program elects to participate in any direct mail solicitation program conducted by SOI as described in Section 8.02(j), the terms for that participation will be governed by a standardized written agreement between SOI and that Accredited Program.

(j) **Contributions from Parents.** Accredited Programs may accept unsolicited contributions from persons who are the parents or guardians of Special

Olympics athletes. However, Accredited Programs must avoid soliciting or accepting such contributions under circumstances which suggest that the contribution is required or expected by the Accredited Program in order to ensure or facilitate an athlete's admission or registration to participate in Special Olympics.

(k) **Fundraising Activities by Sub-Programs.** All authorizations granted to a Sub-Program to conduct fundraising activities within its jurisdiction shall be in writing, and shall comply with the other requirements of these General Rules and the other Uniform Standards. Each Accredited Program shall be required, as a condition of obtaining and maintaining its accreditation to exercise sufficient supervision and control over the fundraising conducted directly by its Sub-Programs, in order to ensure that its Sub-Programs comply with the requirements of these General Rules. Every Accredited Program shall be responsible to SOI for the manner in which all fundraising activities are conducted by its Sub-Programs.

(l) **Limitation on Duration of Contract Terms.** Except as provided in this subsection, an Accredited Program shall not enter into any oral or written agreement with any third party concerning any type of fundraising activity if the duration of that agreement would extend beyond the scheduled expiration date of the Accredited Program's then current Accreditation Period. For example, if an Accredited Program has been accredited through December 31, 2001, it may not enter into a corporate sponsorship that would have a term expiring on June 30, 2002. Notwithstanding any other provision of these General Rules, an Accredited Program may enter into a written agreement with a third party concerning fundraising activities that extends beyond that Program's then-current Accreditation Period provided that such agreement includes an explicit provision that the agreement shall terminate without penalty or other cost to the Program: (i) effective upon the third party's receipt of written notice from the Accredited Program or SOI if the Program's accreditation is revoked, denied, or suspended for any reason, or (ii) effective upon the third party's receipt of sixty (60) days prior written notice from the Accredited Program or SOI if SOI shall have entered a conflicting worldwide, regional, continental, or (in the case of the United States) multi-State sponsorship agreement. In addition, if warranted by exceptional circumstances, SOI will consider granting prior written permission to an Accredited Program to enter into a contract for a length of time which exceeds the Accredited Program's Accreditation Period, but all such exceptions must be approved by SOI in writing before the agreement in question is entered into by the affected Accredited Program.

(m) **Prohibition on Formation of Separate Entities.** No Accredited Program may establish or affiliate with any other corporation, partnership, foundation, trust, supporting organization, endowment fund or endowment organization, or any other entity without SOI's prior written consent.

(n) **Obtaining Prior SOI Approval of Specific Activities.** Accredited Programs must obtain SOI's prior written approval of all multi-jurisdictional fundraising activities as required by this Article 8, and of any other matter associated with a proposed

fundraising project which otherwise requires SOI's approval under these General Rules or the other Uniform Standards.

(o) **Tax Exemption Considerations.** Every Accredited Program shall conduct all fundraising activities in a manner which complies with the requirements in its jurisdiction for maintaining its exemption from taxes. Where legally permissible and feasible, each Accredited Program shall structure its fundraising activities so as to avoid or at least minimize the payment of sales, use, excise or similar taxes. In the United States, no Accredited Program may engage in any activities, whether or not they are characterized as "fundraising" in nature or purpose, which could give rise to a determination by the Internal Revenue Service that the Accredited Program is involved in a trade or business which is unrelated to the Accredited Program's charitable purpose, or which could result in the Accredited Program's being deemed by the Internal Revenue Service to be receiving unrelated business income. For purposes of the preceding sentence, if a proposed fundraising project raises doubts about whether pursuing it would cause the Accredited Program to receive unrelated business income or to incur potential liability for taxes on such income, the Accredited Program must resolve those doubts by avoiding involvement in such a project, unless the Accredited Program obtains SOI's prior written authorization to conduct or participate in that project.

Section 8.05. **SOI's Designation of Exclusive and Non-Exclusive Sponsors.**

(a) **Definitions.** For purposes of this Article 8, the terms listed below have the following meanings:

(1) **"Exclusive Sponsor"** means a sponsor of SOI, a sponsor of a GOC, or a Multi-Jurisdictional Sponsor that SOI and/or a GOC has agreed, consistent with the requirements of this Section 8.05, to recognize exclusively within a particular category of goods or services as a supporter of SOI, a GOC, any Regional Games or World Games, or a worldwide, or Regional, or Multi-Jurisdictional Sponsor of Accredited Programs.

(2) **"Product Category"** means the particular category or categories of goods and/or services for which an Exclusive Sponsor designated by SOI or a GOC has been granted exclusive recognition.

(3) **"Non-Exclusive Sponsor"** means a sponsor of SOI, a sponsor of a GOC, or a worldwide, Regional, or Multi-Jurisdictional Sponsor to which SOI (or the relevant GOC) has not made any exclusivity commitment in that sponsor's product or service category.

(4) **"Multi-Jurisdictional Sponsor"** means a potential or actual sponsor of two or more Accredited Programs, and/or any potential or actual sponsor which offers or provides financial or in-kind support for the benefit of more than one

Accredited Program, whether on a multi-State, multi-jurisdictional, continental, or Regional basis.

(5) **"Multiple Industry Sponsor"** means a sponsor which is involved in multiple and diverse lines of business, to the extent that it is not readily associated with or engaged in specific, identifiable, product or service categories.

(b) **SOI's Authority to Designate Exclusive Sponsors and Multi-Jurisdictional Sponsors; Obligations of Accredited Programs.** SOI has the sole authority to select and contract with Exclusive Sponsors (or to authorize a GOC to select and contract with Exclusive Sponsors). SOI shall follow the procedures set forth in subsection (c) below in selecting and contracting with all Exclusive Sponsors. SOI also has the sole authority to select and contract with Multi-Jurisdictional Sponsors, and to designate those Multi-Jurisdictional Sponsors as either Exclusive Sponsors (subject to the procedural requirements of Section 8.05(c), or as Non-Exclusive Sponsors. Once SOI has designated an Exclusive Sponsor, Accredited Programs shall respect SOI's exclusivity commitments to that Exclusive Sponsor and otherwise recognize that Exclusive Sponsor's support of Special Olympics, as provided in Section 8.06(a). Accredited Programs shall also recognize the support provided by Non-Exclusive Sponsors designated by SOI, as provided in Section 8.06(d).

(c) **Procedures for Designating Exclusive Sponsors.** SOI shall comply with the following procedures when selecting and contracting with Exclusive Sponsors:

(1) **Notice to Accredited Programs.** SOI shall identify all Exclusive Sponsors by written notice to all Accredited Programs. SOI shall also provide Accredited Programs with written notice of all Exclusive Sponsors designated by any GOC in accordance with this Section 8.05. Exclusive Sponsors may be sponsors of SOI, sponsors of a GOC, sponsors of World Games or Regional Games, Multi-Jurisdictional Sponsors, or Multiple Industry Sponsors. When designating Exclusive Sponsors, SOI (or, if applicable, a GOC) shall notify Accredited Programs of the Product Category for which that Exclusive Sponsor has been granted exclusive recognition (unless the sponsor in question is a Multiple Industry Sponsor, and therefore has no designated Product Category).

(2) **Standards for Selecting Exclusive Sponsors.** SOI has the sole discretion to determine the identity, number and Product Categories for all Exclusive Sponsors and the geographic scope of the exclusivity to be accorded to each Exclusive Sponsor. However, before granting worldwide exclusivity to any Exclusive Sponsor, SOI will solicit the views of Accredited Programs and consult with the IAC and the Regional Leadership Councils, in order to obtain and consider the views of Accredited Programs concerning proposed exclusivity arrangements with specific sponsors. SOI will also collaborate actively with the IAC and the Regional Leadership Councils to identify sponsorship arrangements with the greatest potential for benefiting the Special Olympics Movement at as many levels as is possible. In general, and subject to SOI's final authority to determine whether and on what terms to designate Exclusive Sponsors,

SOI will consider, before designating and granting worldwide exclusivity to any Exclusive Sponsor, the extent to which that sponsor is prepared to provide support for Accredited Programs, whether Regionally or worldwide, in addition to the support it offers to provide for SOI, a GOC, or for World or Regional Games, and the extent to which an exclusivity arrangement with that sponsor would unduly restrict Accredited Programs, by virtue of the requirements of Section 8.06(a), from making sponsorship arrangements with competitors in the affected Product Category which would provide significant financial or in-kind support for that Accredited Program.

Section 8.06. **Sponsor Recognition Requirements.**

Accredited Programs shall recognize the support of Exclusive Sponsors (and honor their exclusivity arrangements with SOI or a GOC), and recognize the support of Non-Exclusive Sponsors as provided in this Section 8.06 (collectively, the "**Sponsor Recognition Requirements**"):

(a) **Recognition of Exclusive Sponsors.**

(1) Accredited Programs shall recognize all Exclusive Sponsors designated by SOI or a GOC prior to January 1, 1998 (being those Exclusive Sponsors which have contracted with SOI or a GOC as of dates preceding January 1, 1998), by: (i) providing such Exclusive Sponsors with the public recognition required by Section 8.06(b); and (ii) offering such Exclusive Sponsors a reasonable first option to provide sponsorship or cause-related marketing promotion support to the Accredited Program before that Accredited Program enters into a sponsorship or cause-related marketing promotion arrangement with a competitor of that Exclusive Sponsor in its Product Category. The "first option" described in clause (ii) of the preceding sentence shall be extended to Exclusive Sponsors in the manner provided for in subsection (c) of this Section 8.06.

(2) Accredited Programs shall recognize all Exclusive Sponsors designated by SOI or a GOC on or after January 1, 1998 (being those Exclusive Sponsors which have contracted with SOI or a GOC as of January 1, 1998 or later), by: (i) providing such Exclusive Sponsors with the public recognition required by Section 8.06(b); and (ii) unless otherwise authorized in advance and in writing by SOI, by not entering into with any third party any sponsorship, cause-related marketing promotion, or other type of fundraising or promotional agreement which contemplates or requires any public acknowledgment of support for or affiliation with the Accredited Program by that third party (or any other third party) that is a competitor of an Exclusive Sponsor in its Product Category.

(b) **Types of Recognition to be Accorded to Exclusive Sponsors.** All Accredited Programs shall recognize, and assist SOI in publicizing, the support provided to Special Olympics by Exclusive Sponsors, by providing the following types of public recognition to Exclusive Sponsors:

(1) **Designations.** Accredited Programs shall publicly refer to Exclusive Sponsors by using the sponsorship designations of "Worldwide Sponsor," "Worldwide Partner," "Regional Sponsor," or any other designations which SOI identifies in writing for its Accredited Programs as the approved method for identifying and recognizing a particular Exclusive Sponsor.

(2) **Banner Displays.** Accredited Programs shall also publicly recognize Exclusive Sponsors through the display of banners, which shall be provided by SOI at SOI's expense or at the expense of the relevant Exclusive Sponsor. Such banners shall be displayed, at a minimum, at the sites of all Accredited Program Games and events. The preceding sentence requires Accredited Programs to display (or cause others to display) the required sponsor-recognition banners at as many Games and events sites as is practicable, but at a minimum, at the venues for the closing ceremonies of the relevant Games and at the competition venue where the greatest number of athletes are expected to compete. To the greatest extent practicable, Accredited Programs shall also require their respective Sub-Programs to display such banners at the venues of Sub-Program Games and events.

(3) **Other Recognition.** In addition to the banners described in this Section 8.05(b), Accredited Programs shall also publicly recognize Exclusive Sponsors in their respective public relations materials, news releases and other Program Materials, using design layouts and standardized wording to be provided and approved by SOI in advance for each Exclusive Sponsor. Accredited Programs shall also recognize such Exclusive Sponsors by inviting them to attend or participate in Accredited Program Games or other events, and by extending to their employees and officials the opportunity to participate as volunteers of the Accredited Program.

(c) **First Option Requirements for Certain Exclusive Sponsors.** Accredited Programs shall satisfy the "first option" requirements of Section 8.06(a)(1)(ii) by giving that Exclusive Sponsor: (1) reasonable advance written notice of the existence of a sponsorship or cause-related marketing promotion opportunity for the support of the Accredited Program, with a copy of that notice to be provided to SOI (and, if applicable, the GOC) at least twenty-one (21) days before it is submitted to the Exclusive Sponsor; and (2) a fair opportunity to negotiate in good faith with the Accredited Program concerning mutually acceptable terms for providing that support. Accredited Programs must document their compliance with these requirements in all dealings with existing and potential sponsors and other organizational supporters.

(d) **Recognition of Non-Exclusive Sponsors.** Accredited Programs which do not have pre-existing conflicting arrangements with sponsors in the product or service categories of Non-Exclusive Sponsors shall offer such Non-Exclusive Sponsors (whether they be sponsors of SOI or of a GOC) a reasonable first option to provide sponsorship or cause-related marketing promotion support to the Accredited Program before the Accredited Program enters into a sponsorship or cause-related marketing promotion arrangement with a competitor of that Non-Exclusive Sponsor. Any such first option

shall be extended to the Non-Exclusive sponsor using the same procedures specified in Section 8.06(c) above. In addition, Accredited Programs which do not have pre-existing conflicting arrangements shall publicly recognize, in their own jurisdictions, the support being provided for Special Olympics by the Non-Exclusive Sponsor, to the same extent provided for in Section 8.06(b), whether or not those Accredited Programs enter into their own sponsorship arrangements with that Non-Exclusive Sponsor. The requirements of this Section 8.06(d) shall not apply to Accredited Programs which, at the time that SOI provides written notice of the identity of any Non-Exclusive Sponsor of SOI or a GOC, already have pre-existing and conflicting arrangements with their own sponsors in the product or service category which is common to the Non-Exclusive Sponsor, except to the extent otherwise provided below in Section 8.06(e) concerning "Multiple Industry Sponsors".

(e) **Recognition for Multiple Industry Sponsors.** SOI and/or a GOC shall be entitled to enter into sponsorship arrangements with Multiple Industry Sponsors, on either an exclusive or a non-exclusive basis (subject to the required procedures in Section 8.05 for designating Exclusive Sponsors). If SOI notifies the Accredited Programs that SOI or a GOC has designated a Multiple Industry Sponsor, Accredited Programs shall recognize that Multiple Industry Sponsor within their own jurisdictions as supporters of SOI and of Special Olympics, whether or not that Accredited Program has its own sponsorship affiliation with other Multiple Industry Sponsors involved in the same product or service categories as the Multiple Industry Sponsor designated by SOI or a GOC. SOI will encourage its Multiple Industry Sponsors to provide support for Accredited Programs in the jurisdictions where such Multiple Industry Sponsors have offices or operations.

Section 8.07. **SOI's Contract Policies.**

All fundraising agreements entered into by Accredited Programs shall be in writing, and must include the following minimum contract protections, unless otherwise approved in advance and in writing by SOI:

(a) **Approval of Third Party Use of Special Olympics Marks.** The Accredited Program shall have, and must actually exercise in each instance, a right of advance written approval of all materials (such as promotional literature or merchandise) to be developed or distributed by any third party which will bear the name of the Accredited Program, the Special Olympics Logo (which may be used only in juxtaposition with the name of the Accredited Program), or any other Special Olympics Mark which SOI has licensed that Accredited Program to use. Through such approval process, the Accredited Program shall ensure that such third party fully complies with all SOI ownership rights to the Special Olympics Marks, with the Graphics Standards Guide, and with other applicable provisions of the Uniform Standards.

(b) **Ownership of Accredited Program Assets.** The Accredited Program shall retain, and be recognized explicitly by all third parties as retaining, exclusive ownership of all Accredited Program assets which will be used or developed by a third

party through the use or exploitation of any Special Olympics Marks, such as ownership of all donor lists and records containing the Accredited Program's list of active or lapsed donors.

(c) **Inspection of Financial Records.** The Accredited Program shall have the right to inspect and audit, with reasonable notice, all books and records and other financial documentation of a third party which relate to the third party's performance under the agreement, and a right to receive properly documented financial reports from the third party concerning the revenues raised from the project for the Accredited Program.

(d) **Fees and Expenses.** The agreement must clearly identify whether the Accredited Program will be responsible for paying any fees or expenses in connection with the project, including those incurred by subcontractors or other parties who will perform services for the third party which is contracting directly with the Accredited Program, and must explicitly protect SOI from any liability or responsibility to any third party for payment of such fees or expenses.

(e) **Insurance Coverage.** The agreement must require that the third party contracting with the Accredited Program obtain adequate insurance coverage for its activities in connection with the project, in amounts acceptable to the Accredited Program, including, but not limited to, coverage protecting the Accredited Program's interests in relation to the third party's access to donor lists, cash contributions to the Accredited Program, or other tangible or intangible assets of the Accredited Program.

(f) **Compliance with Laws and Voluntary Standards.** The agreement must explicitly require the third party to comply with all laws and regulations which apply to its activities under the agreement with the Accredited Program, including, if applicable, the laws of the Accredited Program's jurisdiction governing charitable solicitations and cause-related marketing contracts, as well as all Voluntary Standards (as defined in Section 4.11), if any, which may apply in that Accredited Program's jurisdiction.

(g) **Indemnification.** The agreement must require that the Accredited Program be indemnified by the third party from damages, costs, expenses and attorneys' fees arising out of any claims that might be made against the Accredited Program by any party stemming from the third party's failure to perform its obligations under the contract, or its unauthorized use of any Special Olympics Mark.

(h) **Length and Termination of Contract.** The agreement must specify the length or term of the agreement with the third party, the timing and circumstances under which the Accredited Program may terminate the agreement by providing written notice to the third party and must permit the Accredited Program to terminate the arrangement promptly if the third party defaults in performing its obligations under the agreement, and must comply with Section 8.04(1).

Section 8.08. **Fundraising Obligations of GOC's.**

The authority and responsibilities of a GOC concerning fundraising activities shall be specified in SOI's written agreement with each GOC. Unless otherwise provided in such a written agreement, each GOC shall be obligated to comply with all of the Sponsorship Recognition Requirements in Section 8.06 in its efforts to raise funds for the support of any Regional Games, World Games or any other Games sanctioned by SOI.

Section 8.09. **Reporting Obligations of Accredited Programs.**

Accredited Programs shall retain all fundraising contracts for a period of at least three (3) years after their expiration or termination, or for any longer period required by the laws of their respective jurisdictions. If requested in writing by SOI, an Accredited Program shall provide SOI with copies of sponsorship, cause-related marketing promotion, direct marketing, or other types of fundraising contracts entered into by that Accredited Program. SOI shall have the right to inspect at any time any fundraising contract entered into by an Accredited Program for the purpose of ensuring the Accredited Program's compliance with this Article 8 and the other Uniform Standards.

Section 8.10. **Fundraising Information to be Distributed by SOI.**

SOI shall keep all Accredited Programs and GOC's regularly informed of SOI's corporate sponsorships, cause-related marketing promotion projects and other on-going efforts, in order to enable Accredited Programs and GOC's to comply with their sponsorship-recognition obligations under Section 8.06, and provide the cooperation required from Accredited Programs under Section 8.04(c).

Section 8.11 **Cooperation in Protecting Special Olympics Marks and Other Intellectual Property Owned by SOI.**

In planning and executing all fundraising activities permitted by this Article 8, all Accredited Programs and GOC's must use their respective best efforts to identify and prevent the unauthorized use by third parties of any Special Olympics Marks, ensure that the Special Olympics Marks are used in connection with only those fundraising activities which are consistent with the public image and reputation of Special Olympics, and protect the value and ownership of all copyrights, trademarks and service marks and other forms of intellectual property owned by SOI.

Section 8.12. **Avoiding Use of Marks Owned by Third Parties.**

Accredited Programs shall be responsible for ensuring that they do not use or misappropriate, or knowingly permit any sponsor or other third party to use or misappropriate, any name, logo, trademark, service mark, design or other form of intellectual property (individually and collectively, "**mark(s)**") which is/are owned by another party, unless the Accredited Program has obtained the express prior written consent of the owner of each such mark. Without limiting the intended generality of the immediately preceding sentence, no Accredited Program shall use or permit any third party to use any mark which has been registered by the USOC with the United States Patent and Trademark Office. SOI will assist Accredited Programs in identifying the marks which have been registered by the USOC.