



## SHOW ME THE MONEY!

### Dear Sponsor Doc:

I've heard a lot of theories about when event organizers should collect sponsor fees. Some say it is with the signing of the agreement, others collect at the event, and there are some who invoice after the event is over. What's been your experience?

**T.C. Phoenix, AZ**

### Dear T.C.

Well, the simple answer is to collect the sponsor fee as soon as you can! I was told years ago by an attorney friend of mine that once a monetary transaction has occurred, it is very difficult for someone to back out of an agreement. A payment actually holds more weight than a signature!

When you are contracting with a sponsor, the payment dates and terms should be spelled out in the agreement. After you state the fee, include language as to the payment schedule you are requiring.

Typically, we ask for 50% at the time the agreement is executed and the final 50% approximately two months before the event takes place. The reason we are requiring payment in full before the event, is that it is our position that as soon as we begin to provide the sponsor with benefits, (logo on website, social media posts, poster ID, etc.), we are fulfilling their benefits. It is a mistake to perceive that the benefit of their sponsorship is exclusively fulfilled during the event.

If it is a smaller fee, we do not divide it into payments but rather require payment in full two to three months out.

If sponsors or commercial exhibitors are not paid in full a couple weeks before the event, we send them a friendly reminder that payment is required before they move in or receive their hospitality benefits.

Please note, there are some national brands that will not pay you until after the event and they receive their recap report. We really try to negotiate different terms on these as it is really a draconian payment policy.

One national brewer payment terms are for payment 150 days after they receive the invoice. If you want their sponsorship, you need to know those are their terms. In this case you want to

invoice as early as you can in the process. Get that invoice sent three months before the event and it should be coming in soon after it is over.

One other note to make is that it seems that about this time every year, I get a sponsor who wants to pre-pay their payment as they have additional funds left in the current budget and are in a "use it or lose it" situation. Of course, I am happy to accommodate an early payment.

I hope this helps "show you the money!"

**The Sponsor Doc**

With more than three decades in sponsorship sales and consultation, *Bruce L. Erley* is the President and CEO of the Creative Strategies Group, a full-service sponsorship and event marketing agency based in Denver, Colorado he founded in 1995. Accredited in Public Relations (APR) by the Public Relations Society of America and a Certified Festival & Events Executive (CFEE) by the International Festivals and Events Association, Erley is a highly-regarded speaker on event marketing and sponsorship having spoken on the topic around the world in such places as Dubai, Vienna, Beijing, Toronto and New York.

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