



CORPORATION FOR PUBLIC BROADCASTING ANCILLARY REVENUE POLICY

As Amended and Effective on October 8, 2024

I. Purpose and Applicability

This Policy ensures that the Corporation for Public Broadcasting (“CPB”) operates in a prudent and financially responsible manner as a steward of federal funds and effectuates, to the maximum extent possible, its statutory goals. The primary goals addressed by this policy are to ensure quality public programming is available to the American people through public radio and television and to maintain confidence in CPB’s revenue sharing policies.

This Policy applies to CPB’s funding of production grants for broadcast radio and television as well as services ancillary to such broadcast which includes streaming services, internet archiving, “on-demand” provision of content, and similar provision of content to the public, procurement of goods and services, including consulting services which directly relate to the creation of content. This Policy is to be applied in concert with CPB’s Contracts Policy and Disbursement Policy. In the event of a conflict between the terms of this Policy and terms relating to the acquisition of goods and services under such policies, the provisions of this Policy shall govern.

This Policy does not apply to the negotiation, award and administration of community service grants, grants relating to interconnection, or to grants administered on behalf of other public agencies such as the Department of Education. It also does not apply to acquired content. It also does not apply to agreements relating to the cost of interconnection facilities or programming royalties required by 47 U.S.C. § 396(k)(3)(A)(i)(11); for CPB’s support of national programming services pursuant to 47 U.S.C. § 396(k)(6)(A); to the acquisition of individual travel-related services including hotels, meals and transportation; or to contracts for the temporary or regular employment of CPB staff. This Policy does not apply to procurement of goods or services including consulting agreements.

II. Definitions

“**Ancillary Revenues**” means the revenue generated from the production of content by persons or entities funded by CPB that differ from or enhance the payments for the content beyond the original exploitation pursuant to the Grant Agreement. Examples include licensing fees associated with music or characters, content in significantly different formats (e.g., books based on broadcast content), payments from sampling of the content or use by

artificial intelligence, or the use of content on airlines. Ancillary Revenues also include any interest earned on Ancillary Revenues exceeding \$5,000/yr. Ancillary Revenues do not include payments for streaming of broadcast content or the broadcast of streaming content to the extent such streaming or broadcast is the purpose of such grant, receipt by a person or entity of monetary compensation associated with the award of a prize awarded by an independent organization, or the co-grant of sums for the production or distribution of content by entities other than CPB (*i.e.*, funds received from a co-funder specifically to cover the costs of the original content production).

“Content” means any production that conveys information or entertainment. This includes traditional programming as well as interactive programming and games. For purposes of this policy, **“Radio Content”** means content that is intended to be received aurally whether broadcast or digitally streamed. **“Television Content”** means content that is intended to be received both visually and aurally whether broadcast or digitally streamed.

“Contractual Terms” means the legally enforceable provisions of any grant, contract, or other binding agreement between CPB and the producer of content.

“Flow-down” means the requirement that Contractual Terms between CPB and any organization that issues sub-grants, sub-awards, or any other transfer of CPB grants or funds to persons or entities that directly produce content.

“Grantee” means the recipient of grants or funds directly or indirectly from CPB. This definition includes subawardees.

“Net Ancillary Revenues” means total Ancillary Revenues after deduction of reasonable direct and indirect expenses for production, marketing, distribution, and collection of Ancillary Revenues. For purposes of this calculation, indirect expenses exceeding thirty percent (30%) of direct expenses shall be deemed to be unreasonable and not excludable from Ancillary Revenues. Political Contributions are not deductible from Ancillary Revenues.

“Political Contribution” means any financial contribution or goods, commodities, or services on a cost-free or discounted basis to political parties, politicians, campaigns, candidates, or political causes. CPB prohibits CPB or any employee from making or approving Political Contributions on CPB’s behalf or as a representative of CPB, regardless of their level of authority.

“Report” means a report of Ancillary Revenue to CPB in a form as prescribed by CPB from time to time that is consistent with this Policy.

“Spending Period” means the period during which a Grantee may incur costs which may be funded by CPB and is specifically set forth in each Grant Agreement.

“**Sub-Grantee**” means a person or entity which receives CPB funds to create content for public media from an organization which receives a direct grant from CPB such as the National Multicultural Alliance (“NMCA”) and the Independent Television Service (“ITVS”) and includes stations if they are given a sub-grant to create over-the-air or digital content. Sub-awardees are included in the definition of Sub-Grantee.

III. Core Principles of CPB Collection of Ancillary Revenues

CPB is the steward of federal funds and must balance the aggressive protection of such funds with the burdens of such protection. To the extent that the collection of Ancillary Revenues becomes a disincentive to the production of quality public programming for the American People, it must be modulated to ensure the accomplishment of CPB’s statutory goals. This balancing applies both to the collection of Ancillary Revenues and to the record-keeping and reporting of such Ancillary Revenues. CPB also recognizes that the fact that CPB does not itself receive Ancillary Revenues does not mean that such monies will not benefit public programming. All funds provided to CPB as a result of this Policy shall be reinvested in programming projects.

CPB is committed to certain core principles of non-discrimination as embodied in federal law and the general policies of CPB. As a result, CPB **WILL NOT** make decisions on Ancillary Revenue on the basis of race, color, religion, gender, sex, age, national origin, veteran status, disability, sexual orientation, gender identity or expression, marital status, or any other characteristic protected by law.

III. Radio Content

Unless special circumstances are present as determined by CPB’s President/CEO, CPB will not require the producers of radio content to (i) remit Ancillary Revenues to CPB, or (ii) maintain any record-keeping or reporting specific to Ancillary Revenues unless such producer collects Ancillary Revenues exceeding \$100,000 net of production costs in which case CPB shall have the right to payment of an appropriate percentage of such Ancillary Revenues and associated reporting consistent with this Policy.¹ CPB may waive any existing Contractual Terms currently in effect relating to Ancillary Revenues derived from radio content or modify them consistent with this Policy.

IV. Television Content

Unless special circumstances are present as determined by CPB’s President/CEO, the following categories are excluded from any requirements to (i) remit Ancillary Revenues to CPB or (ii) maintain any record-keeping or reporting specific to Ancillary Revenues.²

¹ This does not affect any other requirements for record-keeping or reporting of general applicability or which are required by law or regulation. This is intended to be a self-certification report to trigger these requirements.

² See, previous footnote.

- Grantees receiving grants or receiving CPB funds less than \$500,000 for an individual project or on an annualized basis for multiyear, multipart projects;
- Sub-Grantees receiving CPB funds from Grantees less than \$500,000 for an individual project or on an annualized basis for multiyear, multipart projects;
- Grantees or Sub-Grantees receiving funding from CPB, directly or indirectly, less than \$1 million who are co-funded by other persons or entities to an extent greater than the amounts of funding received from CPB (*i.e.*, CPB's total funding is less than 50% of the revenue required to cover the proposed budget for the project);³ and
- Pilot projects or research and development projects provided CPB is given right of first refusal to fund the full or follow-on project and does not exercise such right.

In addition, CPB may, in lieu of requiring that Ancillary Revenue be remitted from public media organizations that accept CPB funds and then make subgrants or subawards to content producers, permit such organizations to retain Ancillary Revenues from such sub-Grantees or subawardees that would otherwise be paid to CPB provided that the sole and exclusive use of such Ancillary Revenues is the production of additional content consistent with the CPB grant of funds. Such organizations shall provide annual Reports to CPB on the use of such Ancillary Revenues.

Any content producer not specifically excluded by the foregoing shall, as a condition of any grant or funding from CPB, enter into contractual terms that (i) require that CPB receive at least 25% of Net Ancillary Revenues, provided that if CPB is a co-funder, CPB must receive at least 25% of the proportion of Net Ancillary Revenues attributable to CPB funding,⁴ (ii) require that the Grantee keep such records as CPB may reasonably require, (iii) require that the Grantee provide to CPB annual Reports on Ancillary Revenues, and (iv) require the Grantee cooperate with any reasonable audit or inquiry of CPB concerning Ancillary Revenues. Except as otherwise provided, all obligations under this provision shall last no longer than ten (10) years after the end of the Grant period except that record-keeping requirements may extend up to three (3) years after the termination of other obligations.

In the event CPB provides funds to an organization that will make sub-awards or sub-grants to Sub-Grantees from such funds, then such organization must Flow-down all the foregoing requirements to such Sub-Grantees who exceed the specified thresholds for funding. Such organization must provide access by CPB or its designees to all agreements with Sub-Grantees to CPB for its files on a confidential basis.

³ This calculation would be performed when the funding for the project is complete.

⁴ For example, if CPB provides 60% of the total funding for the content, then CPB must receive 25% of 60% of Net Ancillary Revenues.

In the event the President/CEO or the Board determines that a waiver or modification of the foregoing is necessary and appropriate in light of special circumstances, such waiver or modification may be provided to the Grantee. All such waivers or modifications must be reported periodically to the Board.

Notwithstanding anything to the contrary, Grantees or sub-Grantees who have reported less than \$50,000 in cumulative Ancillary Revenues in any three consecutive years after the end of the Spending Period set forth in the Grant Agreement shall be exempted from further record-keeping and reporting of Ancillary Revenues. Upon request, CPB is authorized to waive in writing any such requirements.

V. Questions

Any questions concerning the interpretation of this Policy should be directed to ogc@cpb.org.