

SPONSORSHIP, NAMING RIGHTS, ADVERTISING SALES AND DONATIONS

Date Issued: June 27, 2017 – R123-17

Mandated by: City Council

Current Revision: March 26, 2019 – R59-19

Cross Reference:

- Sponsorship, Naming Rights and Advertising Procedure GOV-013-A
- Transit Advertising GEN-026-A

Next Review: January 1, 2021

Responsibility: City Manager

PURPOSE

To establish a framework that enables the City to seek revenues through sponsorships, naming rights, advertising sales and donations to support the delivery and enhancement of programs, services and facilities.

POLICY

The City welcomes and actively seeks sponsorships, naming rights, advertising sales and donations on a variety of assets and programs in order to generate non-tax revenue to fund the provision and enhancement of City programs, services and facilities, as part of the operating budget.

DEFINITIONS

Advertising Sales – shall mean the purchase of space on City printed material and assets, for a specific period of time, with no entitlement to any additional benefits. Funding from Advertising Sales will be used as part of the department's operating budgets.

City Council – shall mean the municipal Council for the City.

City Manager – shall mean the Chief Administrative Officer for the City.

Donations – shall mean contributed funds, services or gifts-in-kind without an expectation of recognition or return. All donations will comply with Canada Revenue Agency regulations and have the option to specify direct benefit.

External Agencies – shall mean entities not part of the City such as societies, not-for-profit organizations, user groups, foundations and government partners which may have agreements with the City while not under its direct control.

Fulfilment – shall mean the terms of the agreement must be completed by the City and sponsoring party to receive recognition for the sponsorship, naming rights, advertising or donation.

In-kind – shall mean contribution sponsorship received in the form of goods and/or services rather than cash.

Municipal Assets –shall mean facilities, vehicles, equipment, programs, services, publications, websites or events, owned and operated by the City.

Naming Rights – shall mean opportunities for sponsor to receive the exclusive right to name a City property under specific terms. Funding from Naming Rights will be allocated to appropriate reserve to be used for council approved enhancements for said facility.

Sponsorship – shall mean a partnership between the City and a company, organization, association or individual for a City owned asset or program, by providing recognition, marketing exposure, advertising, activation opportunities, and/or other commercial benefits in exchange for cash or in-kind support. Funding from Sponsorship will be used as part of the department's operating budget.

GUIDING PRINCIPLES

1. City Council is responsible for:
 - 1.1 Determining which assets shall be made available for naming rights opportunities.
 - 1.2 Approving agreements that are greater than \$250,000.
 - 1.3 Approving Naming Rights agreements for buildings.
2. The City Manager or designate is responsible for:
 - 2.1 Negotiating and approving agreements related to sponsorships, advertising sales, naming rights and donations that fall within the level of approval for revenue contracts delegated to the City Manager.
 - 2.2 Recommending to Council the agreements with revenue exceeding \$250,000.
 - 2.3 Ensuring legal agreements are secured for all sponsorships, naming rights, advertising sales and donations related to programs, services, physical spaces and operational budget.
 - 2.4 Ensuring that applicable policies and procedures to support sponsorships, naming rights, advertising sales and donations are in place as necessary.
 - 2.5 Ensuring that all sponsorships, naming rights, advertising sales and donation agreements meet the City's legal processes and standards.
 - 2.6 Ensuring resources are allocated appropriately to support the annual sponsorships, naming rights, advertising sales and donation budget.
 - 2.7 Ensuring up to 10% of the value of the agreement is used to fulfill the City's sponsorship commitments.
3. Revenue received through sponsorship, naming rights, advertising sales and donations shall not support the build of capital projects, but can be used to enhance the project at Councils discretion.
4. Sponsorships, naming rights, advertising sales and donation revenues and associated expenses shall be allocated to support the delivery and enhancements of existing programs, services and facilities as part of the operating budget.

5. Sponsorships, naming rights, advertising sales and donation activities shall safeguard the City's assets and interests.
6. In accordance with Procurement Policy FIN-020-C, sponsorship, naming rights, advertising sales and donation activities shall not entitle any sponsor or donor to influence any business decisions made by the City.
7. The City will not enter into any sponsorship, naming rights, advertising sales and donation agreements with companies that have a conflict with the City.
8. Sponsorship, naming rights, advertising sales and donations will be undertaken in accordance with accepted principles of sound business, legal and financial management.
9. Sponsorship, naming rights, advertising sales and donations will not cause a City employee or a member of Council to receive any product, service or assets for personal gain or use.
10. Where there are costs associated with securing funds and fulfilling contractual obligations generated through sponsorship, naming rights, advertising sales and donations, these costs are reflected in the operating budget and shall not exceed the revenue generated by the agreement.
11. Agreements with external agencies shall reflect this policy.
12. Sponsorship, naming rights, advertising sales and donations activities shall support the strategic direction and values of Council.

AUTHORITY / RESPONSIBILITY TO IMPLEMENT

The City Manager is responsible for the implementation and monitoring of this Policy.

SPONSORSHIP, NAMING RIGHTS, ADVERTISING SALES AND DONATIONS

Date Issued: June 27, 2017 – R123-17

Responsibility: Director, Recreation Services

Current Revision: March 27, 2019

Cross Reference:

- Sponsorship, Naming Rights, Advertising Sales and Donations Policy GOV-013-C
 - Transit Advertising GEN-026-A
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PURPOSE

To set out the processes to enter into sponsorship, naming rights, advertising and donation agreements between the City and external organizations or individuals.

DEFINITIONS

Advertising Sales – shall mean the purchase of space on City printed material and assets, for a specific period of time, with no entitlement to any additional benefits. Funding from Advertising Sales will be used as part of the department's operating budget.

City Council – shall mean the municipal Council for the City.

City Manager – shall mean the Chief Administrative Officer for the City.

Donations – shall mean to contribute funds, services or gifts-in-kind without an expectation of recognition or return. All donations will comply with Canada Revenue Agency (CRA) regulations.

External Agencies – shall mean entities not part of the City such as societies, not-for-profit organizations, user groups, foundations, private companies / entities and government partners which may have agreements with the City while not under its direct control.

Fulfilment – shall mean the terms of the agreement must be completed by the City and sponsoring party to receive recognition for the sponsorship, naming rights, advertising or donation.

In-kind – shall mean contribution sponsorship received in the form of goods and/or services rather than cash.

Municipal Assets –shall mean facilities, vehicles, equipment, programs, services, publications, websites or events, owned and operated by the City.

Naming Rights – shall mean opportunities for an external sponsor to receive the exclusive right to name a City property under specific terms. Funding from Naming Rights will be allocated to appropriate reserve to be used for council approved enhancements for said facility.

Sponsorship – shall mean a partnership between the City and a company, organization, association or individual for a City owned asset or program, by proving recognition, marketing exposure, advertising, activation opportunities, and/or other commercial benefits in exchange for cash or in-kind support. Funding from Sponsorship will be used as part of the department’s operating budget.

PROCEDURE

Principles

- Departments are responsible for soliciting, negotiating and administering their own sponsorship, advertising, naming rights and donations program and agreements, subject to Administration Policy GOV-013-A.
- Departments are responsible for working with community groups when necessary to ensure the Sponsorship, Naming Rights, Advertising Sales and Donations, Council Policy (GOV-013-C) is used.
- Benefits to the sponsor or donor are limited to those expressly stated in the Agreement.
- The City does not endorse the products, services, or ideas of any donor or sponsor.
- All sponsorship, naming rights, advertising and donation agreements must be arranged for a fixed term (not to exceed 10 years unless directed by Council).
- The funding must not create an ongoing financial obligation for the City beyond the term of the agreement.
- Departments to consolidate sponsorship, advertising, naming rights and donation related opportunities across the organization and market via centralized effort when resources are available.
- Create a consistent, professional presence for sponsorship, naming rights, advertising and donations program throughout the organization that fits with the department or branding.
- Naming Rights will include City property such as buildings, facilities, venues and amenities that will result in the asset being recognized by the sponsor name.

Responsibilities

The City Manager or designate shall:

1. Determine allocation of funds into programs, services, facility enhancements or operational budgets;
2. Determine allocation of sponsorship, naming rights, advertising and donations program fulfillment
Expenses;

3. Approve, within signing authority, all sponsorship, naming rights, advertising and donation agreements;
4. Ensure all sponsorship, naming rights, advertising and donation assets are valued using consistent methodology;
5. Establish a process for tracking and reporting all sponsorship, naming rights, advertising and donation agreements; and
6. Ensure organizational structure supports implementation of Sponsorship, Naming Rights and Advertising, Council Policy (GOV-013-C).

Standards

1. Where there are costs associated with sponsorship, naming rights, advertising and donations, these costs are reflected in the operating budget.
2. Sponsorship, naming rights, advertising and donation agreements shall be in the form of a legal document and shall contain:
 - a) Description of the contractual relationship
 - b) Term of agreement
 - c) Renewal terms
 - d) Payment schedule
 - e) Rights and benefits
 - f) Insurance terms
 - g) Release from liability
 - h) Early termination and;
 - i) Confidentiality terms.