

Sponsorship, Advertising and Donations Policy

1.0 Purpose

The purpose of this Policy is to:

- Establish a process to evaluate and to accept or decline sponsorship, advertising and donation opportunities.
- Provide corporate procedures to ensure sponsorship, advertising and donation revenue adheres to the City's legal and financial requirements.

This Policy does not pertain to funding received from other levels of government through formal grant programs.

2.0 Definitions

Advertising is the selling or leasing of advertising space on the City's properties and assets whereby the advertiser is not entitled to any additional benefits beyond access to the space purchased. Advertising is a straightforward purchase of space based on Council approved pre-established rates for a specified period of time.

Donation is a gift or contribution of cash, goods or service given voluntarily toward an event, project, program or corporate asset as a philanthropic act.

Naming Rights is the naming of a facility, after a person or group or through a sponsorship in which a company purchases (cash or other revenue support) the exclusive right to name an asset (facility, room, etc.), for a specific period.

Sponsorship is a mutually beneficial business arrangement or partnership between the City of Oshawa and an external company, organization or enterprise wherein the external party contributes funds, goods, or services to a municipal project, initiative or service in return for recognition, acknowledgement or other promotional consideration for a specified period of time.

3.0 Guidelines

- External organizations or individuals may partner with the City of Oshawa in providing programs, events, facilities or activities where such a partnership:
 - Is mutually beneficial to both parties.
 - Is consistent with the vision, policies and goals of the City of Oshawa.
 - Optimizes the revenue opportunity and ensures that it provides a net financial benefit to the City Oshawa.

- Complies with all federal and provincial statutes, municipal by-laws, corporate policies, procedures and standards set-out by the Canadian Advertising Standards Council.
 - Does not imply endorsement of the company or its products and services and should prohibit partners from making statements which suggests a company's products and services are endorsed by the City of Oshawa.
 - Does not result in or is perceived as giving any preferential treatment outside of the partnership agreement.
 - Does not cause a municipal employee to receive any product, service or asset for personal use or gain.
- Sponsorship, advertising and donation agreements will not be accepted from individuals or corporations not in good standing with the municipality (i.e. currently in violation of a bylaw, under litigation against the City or owe money to the City).
 - Recognition of the sponsor, advertiser and donor will be designed so that it will not detract from the physical attributes of a location, event, facility or service delivery.
 - Agreements shall not in any way invoke future consideration, influence, or be perceived to influence the day-to-day business of the City.
 - The City will not solicit, or accept, naming rights, sponsorship, advertising or donations from tobacco companies or other companies whose reputation could prove detrimental to the City's image. For example, organizations whose products or public image may be deemed to be "sensitive" (i.e. liquor). The City must evaluate all such proposals on an individual basis based on the content of the proposal and the target audience.
 - The City will not accept a proposal from any corporation, who, in any manner, portrays, promotes or condones stereotyping of any group or any form of discrimination prohibited by the Ontario Human Rights Code.
 - The City reserves the right to reject any or all unsolicited sponsorships, advertising and donations offered to the City and to reject any and all proposals.
 - Acceptance of sponsorships, advertising and donations will be based on, but not limited to, the following criteria:
 - The value of the product, service and cash provided to the City.
 - The relationship must be beneficial for both parties.
 - Must enhance the development, delivery, awareness or continuance of one or more City programs, services or facilities.

- The value of the agreement must be consistent with the level of recognition or acknowledgement of the sponsor

4.0 Financial Management

Finance Services is responsible for:

- Verifying the Corporate Partnership Program revenues, other expenses, any in-kind services provided by the corporate partner and any foregone revenues associated with any agreement.
- Working in cooperation with the City Department and Branch to continually review and modify business processes to ensure that they are efficient and effective in tracking the revenue and expenses associated with each agreement.
- Validating documentation supplied by the corporate partner, in partnership with the City Department and Branch, to ensure the value of the in-kind services provided by the City including foregone revenue for the purposes of calculating commissions (if required) and issuing tax receipts (where applicable).

New agreement opportunities will be supported by a business case, which will identify the need and benefits to the City and potential partners.

Revenues, in-kind services and donations generated through the Corporate Partnership Program shall be used to reduce the overall operating expenses for an event, program, or facility.

Official receipts for income tax purposes shall be authorized by the Treasurer or designate for eligible gifts and gifts in-kind made to the City if requested by the donor and in accordance with Canada Revenue Agency guidelines. Receipts will be made in the name of the donor only.

The fair market value of an in-kind donation should be provided by the donor. The City reserves the right to determine if the appraised value is fair. In accordance with the Canada Revenue Agency, a written professional appraisal report shall be provided at the donor's expense for all donations valued at \$1,000 or more. The appraisal shall be in a form and content acceptable to the Treasurer. The income tax receipt shall be in the amount of the appraised value, or in the case of two or more appraisals, the lowest appraised value. The receipt shall also indicate a description of the object and the name and address of the appraiser, and shall be dated the day in which the City received the gift.

5.0 Delegation By-law

Third Party Advertising/Sponsorship agreements are authorized by the Delegation By-law. Specifically, these agreements shall be guided by the following:

- *Financial:* Finance Services confirms that the value of everything to be provided by the City does not exceed the *lesser* of \$175,000 *and* the value of everything received by the City;
- *Budgeted:* Finance Services confirms that anything to be provided by the City that requires budget approval is in a budget approved by Council;

- *Temporal:* The term of the agreement must not exceed five (5) years;
- *Signing Authority:* The agreement is to be signed by City Manager, Commissioner, Community Services Department or Director, Recreation and Culture Services;
- *Administration:* Nothing may be provided by the City except as expressed in the agreement;
- *Form:* The agreement to be in a form approved by the City Solicitor.

6.0 Administration

A dedicated resource shall be the exclusive sales agent for naming rights, sponsorship, advertising and donations as they relate to generating revenue for city facilities, events and programs.

With the approval of the City Manager and/or Designate, the contracted resource will be responsible for:

- Establishing and nurturing relationships with potential sponsor, advertisers and donors that is aligned with the Core Values of the organization and does not violate the Code of Conduct;
- ensuring that the opportunity for naming rights, sponsorship, advertising and donations are widely marketed;
- setting and monitoring pricing levels, offered benefits, negotiating and approving agreements, managing and serving corporate partners;
- maintaining a Corporate Partnership database to keep track of activity and levels of corporate involvement.