THE TOWN OF WASAGA BEACH

POLICY MANUAL

SECTION NAME:	**POLICY NUMBER:**
General Administration	2-18
POLICY:	**REVIEW DATE:**
Sponsorship and Naming Policy	March 2024
EFFECTIVE DATE:	**REVISIONS:**
March 30, 2021	January 25, 2024
	ADMINISTERED BY:
	Chief Administrative Officer (CAO)

PURPOSE

The Town of Wasaga Beach welcomes and encourages sponsorships and donations to assist with the provision of a town facility, services or events. Sponsorship initiatives (and associated naming rights) and the acceptance of donations shall be consistent with the town's visons, mission and values, and shall not compromise or contradict any legislation, bylaw or policy, or reflect negatively on the town's public image.

POLICY

All sponsorship agreements and acceptance of donations shall be established in a manner that results in a successful balance of benefits to the town and the community as well as the sponsor, donor or recipient. This principal shall provide the framework for all decisions made by staff and Council.

The purpose of this policy is to:

- Confirm the town's ability to pursue sponsorship initiatives;
- Outline the criteria and process for assessing sponsorship benefits and provide direction to respond to sponsorship requests;
- Outline the process to identify assets and implement naming opportunities;
- Provide departments and programs with corporate procedures when seeking supplemental revenue to support town programs or when approached by external individuals or organizations;
- Provide clear policies on the acceptance of all donations, sponsorships, and naming rights;
- Encourage consistency in decisions to accept or decline fundraising initiatives;
- Ensure that appropriate records are maintained;

- Streamline and define the authorizing process to protect the town from risk;
- Provide a consistent and controlled approach to fundraising agreements which protects the town's corporate values, image, assets, and interests while increasing the opportunity for revenue generation.

Note: For direction on the standard naming of streets, parks, communities, and other public areas, please refer to the Naming/Dedication of Municipal Facilities policy 10-2.

DEFINITIONS

- Advertising: The sale to an external company, organization, enterprise, association or individual of space at town facilities or events or on town printed materials.

- Asset: A physical or non-physical town-owned element that has value to sponsors in order to achieve their business objectives.

- Donation: A gift or contribution of cash, goods, or services which provide assistance to town assets, events or programs. They are given voluntarily without any consideration or recognition in return. Donations do not constitute a business relationship since nothing is expected in return. Donations are eligible for a Charitable Tax Credit under the Income Tax Act and in line with the Town's threshold for issuing a receipt.

- Fair Market Value: The highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of one another. (Canada Revenue agency, "Determining fair market value of gifts in-kind (non-cash gifts)."

- In-kind: A contribution received in the form of goods and/or services rather than cash. Charitable receipts for gift in-kind donations require 3rd party documentation to substantiate value of the gift.

- Naming rights: A type of sponsorship in which an external party receives the exclusive right to name a town asset, event or program under specific terms. The naming right is sold or exchanged for cash or other valuable consideration for a specific item and time frame.

- Sponsorship: A mutually beneficial business arrangement wherein an external party, whether for profit or otherwise, provides cash and/or in-kind services to the town in return for a commercial advantage or recognition. This return may take the form of publicity, promotional considerations, merchandising or supplying opportunities.

SCOPE

This policy shall apply to the relationship between the town and businesses, organizations, and individuals who contribute either financially or in-kind to a town asset, program, service or event.

GENERAL SPONSORSHIP AND DONOR GUIDELINES

The following guidelines shall direct the decision-making and operational processes related to establishing sponsorship arrangements and the provision of donations to the town.

1. The town shall be transparent about administration costs related to fundraising and sponsorship arrangements, and shall provide accurate public information about the use of funds, without exaggeration or underestimation.
2. Privacy laws shall be respected at all times, and all donors, sponsors and prospect information gathered by the town shall not be transferred or utilized except on behalf of the town for the purpose for which the information is collected.
3. Donors or sponsors shall have no ability to influence the decisions of the town in accepting gifts or approving sponsorships. Town employees or anyone with permission to act on behalf of staff, shall not receive any product, service, or assets for personal use or gain as a result of a sponsorship or donation as per the town's Code of Conduct Policy.
4. All town solicitations, fundraising processes and management of financial transactions shall comply with the applicable local, provincial and national laws and best practices guidelines for receiving gifts, sponsorships and donations as well as valuation, compliances, and other pertinent policies as per Canada Revenue Agency. Sponsorship agreements and in-kind donations shall be valued at a level consistent with industry practices, using recognized valuation models and standard practices.
5. All sponsorship agreements shall comply with federal and provincial acts, statutes and regulations and municipal bylaws and shall not interfere with existing contractual obligations of the town.
6. All sponsorship agreements and acceptance of donations and issuing of naming rights and opportunities shall be consistent with the mandate, policies and objectives of the town.
7. All sponsorship agreements and acceptance of donations shall benefit the town, the community, and the sponsor.
8. Sponsorship agreements and acceptance of donations should enhance the development, delivery, awareness or continuance of one or more town assets, programs, services, and/or events by a third party.
9. Sponsorship agreements and/or donations shall be appropriate to the identified target audience. Targeted donations identified for a specific purpose as opposed to a general purpose, will be held in a restricted reserve fund account until such time as the funds are used for the purpose intended.
10. The town shall maintain control over the planning and delivery of all sponsorship agreements and activities, and the acceptance of all donations.

11. Sponsorship agreements and/or acceptance of donations shall not replace existing or future sources of ongoing operating funds for any town department or function which needs to be sustained over time.
12. Sponsorship revenue or any donation shall be allocated to the operating and/or capital budget of the appropriate facility, program, or special event in connection with the sponsorship received or intended purpose of the donation.

SPONSORSHIP AND DONOR ELIGIBILITY

1. The town shall not allow sponsorship or the acceptance of donations, directly, or through third party arrangements which:

   - Promotes the sale or use of tobacco, vapes or vaping products, marijuana, promotes pornography or any other illegal activity, or promotes support of the distribution, production or sale of a life-threatening product.
   - Present demeaning or derogatory portrayals of individuals or groups or contain any message that could cause offence when considered by a reasonable person in the context of prevailing community standards;
   - Promotes, portrays, or condones the stereotyping of any group or discrimination as defined by the Human Rights Code;
   - Is in contradiction to the town's expressed values and principles.

2. Sponsorship and/or donations shall not be accepted from individuals or corporations currently not in good standing with the municipality.

3. The town will consider donations of cash, material or goods, and/or sponsorship from companies recognized as producing and/or distributing beer, wine or alcohol products for special events only. Sponsorship donations from such companies may be accepted by the town and by community groups hosting special events in facilities, which can be licensed under Alcohol and Gaming Commission of Ontario (AGCO) regulations. In such cases, advertising by these companies will promote responsible consumption of the product.

SPONSORSHIP AGREEMENTS AND NAMING

1. Naming and sponsorship arrangements for public areas and municipal assets can be established for a fixed term when there is direct benefit to the community.

2. Naming right opportunities can arise from three avenues:
   - 2.1 the town publicly requests naming right proposals for approved assets, or
   - 2.2 the town actively solicits and targets a potential naming right sponsor for approved assets, or
   - 2.3 a potential naming right sponsor solicits the town regarding an approved asset

3. All sponsorship agreements for any town asset shall be confirmed in writing and all details shall be finalized at the time of signing by authorized representatives of both the town and the sponsor.

4. All sponsorship agreement contracts over $50,000 may be reviewed by the town's legal representative to ensure protection from risk and compliance to legislation and should be reviewed by the town to ensure that all terms and deliverables meet ethical and financial best practices as set forth by this policy and by the Canada Revenue Agency.

5. As a minimum, agreements shall have the appropriate terms and conditions, and include the following provisions:
   5.1 Full legal name of the sponsor, current mailing address, contact person and email address of contact person;

   5.1 a description of the contractual relationship, specifying the exact nature of the agreement;
   5.2 the sponsor's contribution and, in the case of in-kind contributions, the method of assessment;
   5.3 the obligations of both the town and sponsor;
   5.4 the duration of the sponsorship and any renewal options, if applicable;
   5.5 a cancellation provision and the remedies available to both parties upon cancellation, including details to capture item 7 unconditionally;
   5.6 details of the exchange of the marketing benefits, including both what the town will receive from the sponsor, and what benefits are to be provided to the sponsor;
   5.7. confidentiality terms;
   5.8. a statement acknowledging that the agreement may be subject to provisions of the Municipal Freedom of Information and Protection of Privacy Act. (MFIPPA);
   5.9. a statement that all parties are aware of, and agree to comply with, the provisions of this policy;

6. Advertising or co-branding devices shall not impact the quality and integrity of the town's assets, programs, or events and shall provide no added risk to safety as determined by the town.

   6.1. advertisement of a product or service shall not act as the town's endorsement of any one product or service over another.

7. The town shall reserve the right to terminate an existing sponsorship or advertising agreement should conditions arise that make it no longer in the best interest of the town. In these situations, the agreement shall dictate the terms of terminations.

8. The town shall reserve the right to reject any unsolicited proposal or otherwise that has been offered to the town.

ROLES OF DELEGATED AUTHORITY

Chief Administrative Officer

The Chief Administrative Officer is responsible for the administration of all sponsorship agreements and gift acceptance protocols, and for ensuring that the management of sponsorships and administration of gift acceptance protocols are managed according to policy.

Delegated Authority

1. The following delegated authorities are subject to review of the agreement by the Chief Financial Officer prior to execution;
2. The Chief Administrative Officer has the authority to designate approved assets for Naming and Sponsorship.

3. The Chief Administrative Officer, Deputy Chief Administrative Officer, General Managers, and Department Heads, have the authority to enter into sponsorship and donation agreements, regardless of value, for Special Events only.
4. Department Heads, or designates, have the authority to enter into naming rights agreements of a new or existing municipal facility, room or component in keeping with the parameters of the policy, up to an approved value of $10,000.
5. General Managers, or designates, have the authority to enter into naming rights agreements of a new or existing municipal facility, room or component in keeping with the parameters of the policy, up to an approved value of $25,000.
6. Chief Administrative Officer has the authority to enter into naming rights agreements of a new or existing municipal facility, room or component up to an approved value up to $50,000.
7. Council has the authority to approve naming rights agreements over the value of $50,000.
8. Naming rights of buildings require Council approval.
9. As determined by the CAO, naming rights proposals that fall outside this policy shall be brought forward for Council consideration.

Treasury Department

The Treasury Department is responsible for ensuring that the acceptance of donations and sponsorship agreements are in compliance with the town's finance administration policies and procedures.

RELATED POLICIES AND RESOURCES

1. Naming/Dedication of Municipal Facilities policy 10-2
2. Accountability and Transparency Link
3. CRA
4. Donor Recognition Policy

POLICY ADMINISTRATION AND REVIEW

1. This policy shall be administered by the Chief Administrative Officer.
2. This policy will be reviewed every three (3) years or as required based on revisions to corporate practices or Provincial legislation.