

**TOWN OF
AMHERSTBURG**



POLICY NO.: F20-03

SOURCE: Recreation and Culture

SECTION: Sponsorship and Advertisements
Policy

DATE ENACTED: July 23, 2012

DATE OF AMENDMENT:

SUBJECT:

The Town of Amherstburg welcomes and encourages sponsorships undertaken to assist in the provision of Town services and projects. All sponsorships shall be consistent with the Town of Amherstburg's vision, mission and values and will not compromise or contradict any By-law or Policy of the Town, or reflect negatively on the Town's public image. All sponsorship agreements shall be established in a manner that ensures access and fairness, and results in the optimal balance of benefits to the Town and the community. For the purpose of this document the term Council also refers to the Town.

INTENT:

The primary objective of the Policy's parameters and guidelines is to ensure that the Town's corporate values, image, assets, and interests are safeguarded while increasing the opportunities for revenue generation through sponsorship and advertising.

SCOPE:

This Policy applies to all arm's length contracted relationships between the Town of Amherstburg and businesses, organizations and individuals that contribute either financially or in-kind to Town programs, services or facilities in return for recognition, public acknowledgement or other promotional considerations. For the purpose of agreements related to this Policy all parties are considered independent entities or contractors.

The Policy applies to the following:

- Program and special event sponsorship
- Naming/renaming of Town property, buildings, and structures

Excluded (Out of Scope)

This Policy does not apply to:

1. **Pouring Rights Contracts:** agreement between a beverage distributor and the Corporation that allows the distributor to be the only entity selling beverages at a given location(s).
2. **Preferred Supplier Status:** approved suppliers pursuant to the Town of Amherstburg Procurement Policy, including an agency of record, or contractor, commissioned to sell and manage advertising, sponsorship packages or municipal public fund raising initiatives.
3. **Subsidy Procedure:** A procedure, which guides the Corporation in the determination of a not-for-profit organization's request for rent at less than market value.
4. **Partnerships:** Partnership means a formal agreement between two or more parties that have agreed to work together in the pursuit of common goals.

It should be noted that this Policy does not govern or administer strategic alliances, strategic partnerships, tenant-landlord relationships, marketing cooperatives or other partnership Agreements managed by the Town of Amherstburg. These initiatives are managed by separate Agreements, incorporating where applicable, definitions, principles, and conditions from this Policy.

PROCEDURE / IMPLEMENTATION:

DEFINITIONS:

1. **Sponsorship**

A mutually agreed upon agreement between the Town of Amherstburg and an external company, organization, enterprise, association or individual evidenced in writing whereby the external party (sponsor) contributes money, goods or services to a Town of Amherstburg facility, program, project, or special event in return for recognition, acknowledgement, or other promotional considerations or benefits.

This does not include donations and gifts to the Town where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought.

Forms of Sponsorship are:

- **Cash:** A sponsorship received in the form of money.
- **In-kind:** Goods or services of value to the Town are received rather than cash.
- **A combination of the above.**

2. Naming Rights

A naming right is an arrangement in which an external entity contributes money in relation to a municipal asset or venue. In recognition of the contribution, the Town names the asset or venue or some portion or aspect thereof in recognition of the contributing party for a fixed or indefinite period of time. The arrangement shall be documented in writing and set out the understanding of the parties.

3. Ethical Scans

A search of a potential sponsor's main company and subsidiaries, if any, that is performed to determine if the sponsor/advertiser meets the requirements defined by the Corporate Sponsorship Policy or is otherwise affected by the "Restrictions on Sponsorships" section of the Policy.

The contributing party shall consent to reasonable inquiries by the Town to ensure that the proposal is consistent with the Town's vision, mission and values and will not reflect negatively on the Town's public image.

The applicable department on all sponsorships arrangements of more than \$10,000 will conduct ethical scans. Should a conflict be discovered which is contrary to the provisions of this Policy then the applicable Agreement shall not be executed by the Department.

APPLICATION:

General Requirements

Sponsorship Agreements must comply with federal and provincial statutes, municipal by-laws, the Town of Amherstburg's Employee Code of Conduct and the standards set out by the Canadian Advertising Standards Council.

The following conditions apply when establishing sponsorship relationships:

- The Town will maintain control over the planning and delivery of sponsorship activities.
- Agreements shall not in any way invoke future consideration, influence, or be perceived to influence the day-to-day business of the Town.
- The relationship must not cause a Town employee to receive any product, service or assets for personal gain or use.
- Advertising devices must not impact the quality and integrity of the Town's properties, buildings, streetscape, and provide no added risks to safety.
- The sponsorship opportunity should be appropriate to the target audience.

Restrictions for Sponsorship and Advertising

The Town will not solicit or accept sponsorship from companies or individuals whose reputation could prove detrimental to the Town's public image and/or whose main business is derived from:

- The sale of tobacco
- Pornography
- The support of or involvement in the production, distribution, and sale of weapons and other life-threatening products
- Represents political endorsement of a party, elected representative or candidate from any level of government (Public service announcements from departments or agencies of any level of government is permitted)

Council may nevertheless consider any proposal, even if the proposal does not meet the guidelines of this Policy. Council may also consider any proposal or direct staff to pursue any opportunities for sponsorship that do not strictly adhere to this Policy.

Solicitation and Allocation of Sponsorship Opportunities

Sponsorship activities should continue, as always, to be the result of direct solicitation by the Town departments or Council officials to sponsors.

As a general policy, the following sponsorship opportunities should be completed:

- Opportunities that will offer a significant corporate profile.
- Agreements of a lengthy duration (3 years and beyond).
- Agreements that allow for exclusive benefits and recognition.

Non-competitive arrangements may be considered for the following opportunities when:

- An unlimited number of sponsors are being sought.
- It is a unique, innovative or experimental sponsorship opportunity.
- Only one suitable sponsor can be identified.
- The value of the sponsorship or advertising opportunity is less than \$25,000, or
- The need is justified in a business case, approved by the Chief Administrative Officer.

Unsolicited sponsorship proposals received by the Town will be reviewed and evaluated by the Sponsorship Committee as per the provisions of the Policy and may be declined, accepted, referred or reported to Council. The Town reserves the right to reject any unsolicited sponsorships that have been offered to the Town and to refuse to enter into agreements for any sponsorships that originally may have been openly solicited by the Town.

The selection of a preferred supplier will be consistent with the Town's Procurement Policy. There will be no requirement to obtain quotes or undertake a proposal and staff can initiate opportunities without the requirement to test the market further.

All sponsorship agreements shall be evaluated by the program managers on an annual basis to determine continued benefit. The term of all agreements shall not exceed three years unless authorized by the CAO.

The Town reserves the right to terminate an existing sponsorship or advertising agreement should conditions arise that make it no longer in the best interests of the Town.

RESPONSIBILITIES:

Delegation of Authority

Staff is authorized to enter into sponsorship agreements that do not exceed the following preauthorized limits. Agreements that exceed these pre-authorized limits will require Town Council approval.

1. Director/Department Head Approval

Directors/Department Heads are responsible for approving all Sponsorship and Advertisements with a value less than \$25,000 in cash, provided they satisfy all provisions of this Policy.

2. Chief Administrative Officer Approval

The Chief Administrative Officer for the Town is responsible for approving all Sponsorship and Advertisements agreements for amounts between \$25,000 and \$50,000 in cash, provided they satisfy all provisions of this Policy.

3. Town Council Approval

Council approval is required for any contract exceeding \$50,000 in cash or that the contract does not satisfy the provisions of this Policy and for all opportunities involving the naming/renaming of Town property, buildings and structures.

Sponsorship Agreement

All sponsorships shall be confirmed in a legal agreement. All agreements are to be prepared by the Town of Amherstburg, using an approved template form. All sponsorship agreements shall be approved for content by the manager of the program and the department head. All contracts are required to be approved in a form satisfactory to the Town Solicitor.

Departments are responsible for soliciting, negotiating, preparing and administering their own agreements, including contract management. Staff approving sponsorship proposals must ensure that all relevant by-laws and policies are adhered to, appropriate consultation and approval authorities are respected, and where applicable that insurance, indemnification, ethical scans, and permits have been obtained.

Furthermore, Departments are responsible for ensuring that all agreements consider the References noted in this Policy. The Clerk and Mayor sign all Sponsorship Agreements that the Town enters into.

Reporting

Departments are responsible for maintaining a log of all sponsorship contributions and for issuing a written acknowledgement of the agreement to each.

Departments entering into sponsorship or advertising agreements pursuant to this Policy are required to report each agreement to the Treasurer (through the Manager responsible for the agreement) who will provide a year-end report to Council. The Clerk's Office shall retain all originals of the Sponsorship Agreements.

GOVERNANCE:

In the absence of a centralized marketing function at the Town of Amherstburg, a cross-functional department team known as the Municipal Sponsorship Committee shall oversee this Policy and related operating procedures.

This Committee shall:

1. Annually, identify corporate sponsorship priorities
2. Annually, review opportunities, issues, successes, measures and recommendations related to this Policy
3. Develop a Municipal Sponsorship Program for the consideration of the Senior Management Team (SMT).

The team shall be comprised of a representative from each participating department as selected by the head of each department. The CAO shall serve as the Chair of this team on behalf of the SMT.

RELATED DOCUMENTS:

1. Employee Code of Conduct
2. Procurement Policy
3. Ontario Human Rights Code

ADMINISTRATION:

This is a policy established by the Senior Management Team of the Corporation of the Town of Amherstburg. The SMT Designated Contact responsible for updating this Policy is the CAO (or assigned designate).

CONTACT:

The SMT Designated Contact responsible for updating this Policy is the CAO (or their designate), located at 271 Sandwich St. S., Amherstburg, ON N9V 2A5 (519) 736-0012.