

CITYOF CHESTERMERE

POLICY HANDBOOK

EFFECTIVE DATE: May 15, 2017	POLICY: Section: 206 Policy:
APPROVED BY: COUNCIL	SUBJECT: Sponsorship, Naming and Donation Acceptance Policy
REVISED DATE:	PAGE NO: 1 of 8
EXPIRY DATE: May, 2020	POLICY FUNCTION: Community Services, City Events and Festivals, Development and Infrastructure Services

1 PURPOSE AND INTENT

This policy formalizes the conditions for the City to enter into an agreement with an external party to sponsor, name, or to advertise on all, or part of, a City asset, program, service or event. It shall also ensure that informed decisions are made regarding the acceptance of all donations that help to fulfill the vision, mission and priorities of the City of Chestermere. Donations and sponsorships shall fund and enhance services, programs, or City owned assets. This policy shall:

- 1.1 Outline the criteria and process for assessing sponsorship benefits and provide direction to respond to sponsorship requests;
- 1.2 Outline the process to identify and implement naming opportunities (including honourific naming opportunities);
- 1.3 Provide clear policies on the acceptance of all donations, sponsorships, naming rights, honourific naming rights, and;
- 1.4 Streamline and define the authorizing process to protect the City from risk.

Note: For direction on the standard naming of streets, parks, communities, and other public areas, please refer to the Municipal Naming of Public Spaces policy #318 .

2 DEFINITIONS

Asset	A physical or non-physical City-owned element that has value to sponsors in order to achieve their business objectives. Examples of some assets are: playgrounds, programs, events, advertisement placements, services, and speaking engagements
CRA	Canada Revenue Agency
Donation	Cash or in-kind gift contributions which provide assistance to City assets, events or programs. They are given willingly without any consideration or recognition in return. Donations do not constitute a business relationship since nothing in return is expected.
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, "Fair Market Value" Summary Policy CSP-F02)
In-kind	A contribution received in the form of goods and/or services rather than cash. Charitable donation receipts for gift in-kind donations require 3 rd party documentation to substantiate value of the gift
Naming Right	A type of sponsorship in which an external partner receives the exclusive right to name a City asset, event or program under specific terms. The naming right is sold or exchanged for cash or other valuable consideration for a specified item and timeframe.
Honourific Naming	An opportunity for the City to honour and recognize contributions made to the community by an individual, individuals, or organization. Honourific Naming is not sold or exchanged for cash or other valuable consideration, but may be subjected to a specified term.
Sponsorship	A mutually beneficial business arrangement wherein an external party, whether for profit or otherwise, provides cash and/or in-kind services to the City in return for a commercial advantage or recognition. This return may take form of publicity, promotional considerations, merchandising or supplying opportunities.

3 POLICY

The City of Chestermere welcomes and encourages sponsorships and donations to assist with the provision of a City facility, service or event. Sponsorship initiatives (and associated naming rights) and the acceptance of donations shall be consistent with the

City of Chestermere's vision, mission, and values, and shall not compromise or contradict any legislation, bylaw or policy, or reflect negatively on the City's public image.

All sponsorship agreements, acceptance of donations and naming rights (including honourific naming opportunities) shall be established in a manner that results in a successful balance of benefits to the City, the community, the sponsor, donor or recipient.

4 SCOPE

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

The policy shall also provide direction with respect to honourific naming opportunities in circumstances where the City wishes to recognize an individual or group who has made an outstanding contribution to the betterment of the community over an extended period of time or to recognize their achievements at a provincial, national and/or international level.

5 GENERAL SPONSORSHIP AND DONOR GUIDELINES

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

- 5.1 The City 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.
- 5.2 Privacy laws shall be respected at all times, and all donors and prospect information gathered by the City shall not be transferred or utilized except on behalf of the City.
- 5.3 Donors or sponsors shall have no ability to influence the decisions of the City in accepting gifts or approving sponsorships. City 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 agreement or donation as per the City's Code of Conduct policy (Human Resources Policy #736, Article No. 28).
- 5.4 All City solicitations, fundraising processes and management of financial transactions shall comply with the applicable local, provincial and national laws, and shall comply with the *Ethical Standards and Financial Accountability Code* (Imagine Canada) and best practices guidelines for receiving gifts and donations, 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 the industry practices, using recognized valuation models and standard practices.

- 5.5 All sponsorship agreements and acceptance of donations shall comply with federal and provincial acts, statutes and regulations and municipal bylaws and shall not interfere with existing contractual obligations of the City.
- 5.6 All sponsorship agreements, acceptance of donations and issuing of naming rights and opportunities shall be consistent with the mandate, policies and objectives of the City of Chestermere.
- 5.7 Sponsorship agreements and acceptance of donations shall benefit the City, the community, and the sponsor.
- 5.8 Sponsorship agreements and acceptance of donations should enhance the development, delivery, awareness or continuance of one or more City of Chestermere assets, programs, services, and/or events or provide for the delivery of programs, services, or events by a third party.
- 5.9 Sponsorship agreements and/or donations shall be appropriate to the identified target audience.
- 5.10 The City shall maintain control over the planning and delivery of all sponsorship agreements and activities, and the acceptance of all donations.
- 5.11 Sponsorship agreements and/or the acceptance of donations shall not replace existing or future sources of ongoing operating funds for any City operated business unit or function which needs to be sustained over time.
- 5.12 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. Any administration fees shall be clearly allocated and accounted for.

6 SPONSORSHIP AND DONOR RESTRICTIONS

- 6.1 The City of Chestermere shall not allow sponsorship or the acceptance of donations, indirectly, or through third party arrangements which:

- 6.1.1 Promote alcohol and other addictive substances at events or venues that are geared primarily to children;
 - 6.1.2 Promote the sale of tobacco;
 - 6.1.3 Promote pornography, adult entertainment, and/or sexual services;
 - 6.1.4 Promote the support of or involvement in the production, distribution, and sale of weapons and other life-threatening products;
 - 6.1.5 Present demeaning or derogatory portrayals of individuals or groups or contain any message that is likely to cause deep or widespread offence;
 - 6.1.6 Promote religious or political message that might be deemed prejudicial to other religions;
 - 6.1.7 Is in contradiction to the City's expressed values and principles.
- 6.2 Potential sponsors or donors should not conduct a significant portion of their business in or with a country or countries that do not provide racial, gender or sexual orientation equality within its or their political boundaries.
- 6.3 Sponsorship and/or donations shall not be accepted from individuals or corporations currently not in good standing with the municipality (i.e., current violation of bylaw, under litigation, or in arrears). The standing of individuals and corporations shall be confirmed through the City's Corporate Services and Protective Services departments.
- 6.4 Sponsorships or donations shall not be accepted from any party that portrays, promotes, or condones the stereotyping of any group or discrimination as defined in the Alberta Human Rights Code.

7 SPONSORSHIP AGREEMENTS AND NAMING

- 7.1 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 after a market valuation and risk/benefit analysis is completed.
- 7.2 Naming right opportunities can arise from three avenues:
- 7.2.1 the City publicly requests naming right proposals;
 - 7.2.2 the City actively solicits and targets a potential naming right sponsor;
 - 7.2.3 a potential naming rights sponsor solicits the City.
- 7.3 All sponsorship agreements for any City asset shall be confirmed in writing and all details shall be finalized at the time of signing by authorized representatives of both the City and the sponsor.
- 7.4 In circumstances where a City asset (e.g. building, equipment, land) is leased to a third party (leasee), and the leasee wishes to enter into a sponsorship agreement for that asset; the leasee shall comply with all

policies outlined in this document, and shall receive approval from Council prior to finalization of any sponsorship agreement.

- 7.5 All sponsorship agreements may be reviewed by the City's legal representative to ensure protection from risk and compliance to legislation and should be reviewed by the City to ensure that all terms and deliverables meet ethical and financial best practices as set forth by this policy and by Canada Revenue Agency.
- 7.6 As a minimum, agreements shall have the appropriate terms and conditions, and include the following provisions:
 - 7.6.1 a description of the contractual relationship, specifying the exact nature of the agreement;
 - 7.6.2 the sponsor's contribution and, in the case of in-kind contributions, the method of assessment;
 - 7.6.3 the obligations of both the sponsor and the City;
 - 7.6.4 the duration of the sponsorship and any renewal options, if applicable;
 - 7.6.5 the dispositions and ownership of any assets resulting from the sponsorship;
 - 7.6.6 a cancellation provision and the remedies available to both parties upon cancellation;
 - 7.6.7 details of the exchange of marketing benefits, including both what the City will receive from the sponsor, and what benefits are to be provided to the sponsor;
 - 7.6.8 confidentiality terms;
 - 7.6.9 a statement acknowledging that the agreement may be subject to provisions of the Freedom of Information and Privacy Act (FOIP);
 - 7.6.10 a statement that all parties are aware of, and agree to comply with, the provisions of this policy.
- 7.7 Advertising or co-branding devices shall not impact the quality and integrity of the City's assets, programs or events and shall provide no added risk to safety. This shall be determined by the City of Chestermere. Advertisement of a product or service shall not act as the City's endorsement of any one product or service over another.
- 7.8 The City shall reserve the right to terminate an existing sponsorship or advertising agreement should conditions arise that makes it no longer in the best interests of the City. In these situations, the agreement shall dictate the terms of terminations.
- 7.9 The City reserves the right to reject any unsolicited sponsorship proposal that has been offered to the City.

8 HONOURIFIC NAMING OPPORTUNITIES

- 8.1 Honourific naming right opportunities may arise from two avenues:
 - 8.1.1 The City wishes to award a honourific naming based on an individual's or group's significant contributions to the community. In this case, the City may engage the public to encourage suggestions and nominations for the naming of a City asset, service, event or program.
 - 8.1.2 Chestermere citizens initiate the nomination of an individual or group for a honourific naming opportunity (may be done posthumously), which may include but not limited to a City asset, service, event or program.
- 8.2 An Ad Hoc Naming Committee shall review the proposed honourific naming opportunity against the requirements described in this policy; validate that the nomination meets the required guidelines, and makes a recommendation to City Council for final approval.
- 8.3 As a minimum, honourific naming nominations should clearly state the significance and reason for importance, include a written consent that use of the name is granted from a nominee or his/her estate or organization, and demonstrate evidence of support from the community for the nomination.
- 8.4 If the naming of any public areas and assets are related to the City's historical matters or civic heritage, the Chestermere Historical Foundation may be consulted for further discussions and review.
- 8.5 The display of honourific naming opportunities shall not take precedence over the display of the City's corporate identity on its facilities and assets, and shall follow all brand guidelines.

9 ROLES AND DELEGATION OF AUTHORITY

Policy Function

The policy function ensures that the policy is implemented, being followed and reviewed based on the established expiry dates.

Council

Council is responsible to approve honourific naming opportunities.

Chief Administrative Officer

The Chief Administrative Officer is responsible for the administration and approval of all sponsorship agreements and gift acceptance protocols, and may delegate this responsibility at his/her discretion.

Fund Development Specialist

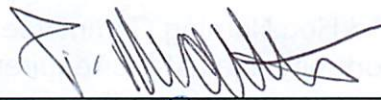
The Fund Development Specialist is responsible for ensuring that the management of sponsorships and administration of gift acceptance honourific naming protocols are managed according to this policy.

Finance Division

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

Adopted by Council: May 15, 2017

Resolution Number: 182-17



MAYOR



Interim CAO