

CITY OF KINGSTON CORPORATE SPONSORSHIP POLICY

Approved by City Council June 22, 2004

A. Purpose:

This policy is intended to articulate the circumstances under which the City of Kingston will enter into corporate sponsorship arrangements and to outline the process for assessing and entering into sponsorship arrangements.

The City of Kingston is a respected public body that delivers a wide range of valued programs and services. Through sponsorships, private corporations and businesses may see value in associating their name with either the City itself or with one of our programs, services, facilities or initiatives while providing the City of Kingston with a new revenue source.

This policy is intended to provide guidelines that ensure that the goals of the corporate partner and the City are aligned, the public interest is respected and the integrity of municipal programs and services is protected.

B. Scope:

1. Except as otherwise set out, this policy shall apply to all direct business relationships between the Corporation of the City of Kingston and businesses which contribute either financially or in-kind to City programs, services or facilities in return for recognition, public acknowledgement, or other promotional considerations.
2. This policy shall not apply to:
 - instances when the municipality is the sponsor as it is intended to be used when the City is the recipient of a sponsorship
 - instances where the City of Kingston is one of several partners involved in hosting events
 - outside or external organizations receiving funding through the City of Kingston
 - advertising sales
 - funding or gifts in-kind obtained from other levels of governments through normal transfer payments or grant programs
 - sales of expertise, software, property, intellectual property & services, or other more complex public-private relationships involving the delivery of direct service
 - fees charged, purchase of service agreements, leasing of property, or similar revenue earned by the municipality
 - bequests, gifts and gifts-in-kind
 - volunteers

C. Definitions:

For the purposes of this policy, the following definitions will apply:

Advertising Sales:

The selling or leasing of advertising space on City's printed materials and properties 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 pre-established rates

Corporate Sponsorship:

A mutually beneficial business arrangement or partnership between the municipality and an external company, organization or enterprise wherein the external party contributes funds, goods, or services to a municipal project, service or initiative in return for recognition, acknowledgement, or other promotional consideration.

Donor Recognition:

Refers to the acknowledgement and expression of thanks issued for a sponsorship, the previously agreed upon terms of publicity and/or promotion that suitably reflect the impact of the sponsorship.

Gifts:

Contributions of cash given voluntarily toward an event, project, program or corporate asset as a philanthropic act, for which Charitable Tax receipt may be issued.

Gifts-in-Kind:

Contributions of corporate products and/or other assets without charge or purchase usually in return for published acknowledgement. Official Charitable Tax receipt may be issued based on 'fair market value' or it can be deducted as a business expense.

Volunteers:

The contribution of skills or time through volunteer service does not qualify as a donation as it cannot be deemed property as per the Canadian Income Tax Act.

D. Sponsorship Selection Guidelines

Acceptance of sponsorship will be based on, but not limited to, the following criteria:

1. The sponsorship must:

- be beneficial for both parties
- be consistent with the mandate, policies and objectives of the City of Kingston
- enhance the development, delivery, awareness or continuance of one or more City programs, services, or facilities; or provide for the delivery of programs and services by the community in a manner deemed by the City to be efficient, effective and in the best interests of the community at large.
- take into consideration the long term implications on staffing and financial resources after the term of the sponsorship agreement has expired
- must be valued at a level consistent with the recognition or acknowledgement of the corporate partner
- must give recognition in a manner designed not to detract from the physical attributes of a location, event, facility and service delivery and adhere to the City's Visual Identity Policy respecting the use of the City Logo and Slogan.
- be subject to any other applicable approval process mandated by legislation, regulation, bylaw or Council resolution
- take into consideration the anticipated community impact of the sponsorship, particularly when the corporate partner's products or public image may be deemed sensitive

2. The sponsorship must not:

- imply endorsement of the company or its products and services and should prohibit corporate partners from making statements which suggest a company's products and services are endorsed by the municipality
- result in or be perceived as giving any preferential treatment outside of the sponsorship agreement
- be accepted from individuals or corporations currently not in good standing with the municipality (i.e. currently in violation of a bylaw or under litigation)
- cause a municipal employee or elected official to receive any product, service or asset for personal use or gain
- be accepted from any corporations recognized as producing tobacco products
- be accepted from any corporations recognized as producing beer, wine, or alcohol products except for special events not exclusively or primarily targeted at children or youth and held in facilities that can be licensed under the L.L.B.O.
- be accepted from any corporations who in any manner portray, promote or condone stereotyping of any group or discrimination as defined by the Ontario Human Rights Code

E. Sponsorship Agreements

1. The agreement will be in the form of a letter (for sponsorships under \$25,000 that do not include any naming rights) or a contract (for those over \$25,000 and/or those involving naming rights). It will outline the following:
 - What the sponsor is contributing and what the value of the contribution represents
 - The obligations of both the sponsor and the City
 - The dispositions and ownership of any assets resulting from the sponsorship
 - Responsibility for the maintenance, insurance and taxes of all assets associated with or resulting from the sponsorship
 - The duration of the sponsorship
 - The licensing and use of the City's and the Sponsor's name, trade and service marks and other intellectual property, and any payment for such licensing and use
 - A cancellation provision and the remedies available to both parties upon cancellation

F. Process for Soliciting Sponsorships

1. Sponsorship opportunities valued less than \$25,000 may be entered into for up to five consecutive years without a competitive process.
2. Sponsorship opportunities valued between \$25,000 and \$50,000 per year may be entered into for up to five consecutive years without a competitive process in the following circumstances:
 - Where only one suitable sponsor is available.
 - Where a particular sponsorship opportunity is the intellectual property of a particular proponent and where it is deemed that this concept would be beneficial to the City of Kingston.
 - Where the sponsorship opportunity is not exclusive in nature.
3. Sponsorships opportunities valued between \$25,000 and \$50,000 require a competitive process when it does not meet the circumstances outlined above.
4. Sponsorship opportunities valued at over \$50,000 and the sponsorship opportunity is limited or exclusive always require a competitive process.
5. Sponsorships that are for greater than a five-year term require Council approval.

G. Sponsorship Approval Process

1. Providing that all provisions of this Policy are met, there are no naming rights involved and provided that the value of the sponsorship is less than the pre-authorized limits set out in the City of Kingston's Purchasing By-law, sponsorship agreements may be executed by City officials: up to \$50,000 by Department Heads.
2. All sponsorship agreements over \$50,000 and/or that involve naming rights must be approved by Council.
3. For tracking purposes, the C.A.O., Finance and Legal Divisions must be notified in writing of all sponsorship arrangements. A tracking system will be established in Finance to facilitate information sharing between staff and to provide annual reports to Council on the volume and type of sponsorships.
4. Any naming rights will be subject to the City of Kingston Naming of Corporate Assets Policy.