

Town of Greater Napanee Donations and Sponsorships Policy



Approval Date:	December 12, 2023	Resolution #	592/23
Revised Date:		Resolution #	
Review Scheduled:	December 2028		
Department:	Financial Services	Contact:	Treasurer
Approval Authority:	Council	Policy No:	FN-2023-03

1. Introduction

The Town of Greater Napanee recognizes that corporations, businesses, individuals and service organizations may from time to time choose to provide financial and/or material support through sponsorships (including naming rights), advertising on Town property, and/or charitable giving activities. The Town supports the development of sustainable relationships between the Town and the community through various types of sponsorship, advertising and charitable giving arrangements for the benefit of the community. The Town welcomes and encourages these relationships to assist in providing municipal services and projects while increasing opportunities for revenue generation.

2. Purpose

The purpose of this policy is to set out consistent criteria for the evaluation, receipt and acknowledgement of donations and sponsorship opportunities while safeguarding the Town's corporate values and interests.

3. Scope

This policy applies to all relationships between the Town of Greater Napanee and businesses, organizations and individuals that contribute either financially or in-kind to Town programs, services, facilities or other municipal assets in return for recognition, public acknowledgement or other promotional considerations. This policy also applies to donations for which a charitable tax receipt is issued.

This policy does not apply to contracts where a service or product is provided to the Town for a fee, including those acquired under the Procurement Policy.

4. Definitions

Advantage means the total value, at the time a gift is made, of all property, services, compensation, or other benefits that a person is entitled to receive in relation to the gift. The advantage may be conditional or receivable in the future.

Advertising means the sale to an external company, organization, enterprise, association or individual of advertising space on Town printed materials, property, Town events, or in conjunction with a Town program. Unlike sponsorship, advertising involves the simple purchase by an advertiser of advertising space sold at rates determined by the Town. The purchaser of this space is not entitled to any additional benefits other than those accruing from access to the space purchased.

Donation means a voluntary transfer of tangible property, including cash, or a transfer of in-kind tangible property, other than cash, where there is no expectation of reciprocal provision of goods or services to the donor or detailed involvement of the donor in how donated funds are deployed or how donated goods are used.

Gifts in Kind are gifts of property, including items such as artwork, equipment, cultural and ecological property and real property. A contribution of services is not property and therefore does not qualify as a gift or gift in kind for the purposes of issuing official donation receipts.

Naming Rights means a type of sponsorship in which an external company, organization, enterprise, association, or individual purchases the exclusive right to name an asset or venue, or part of a facility for a fixed period of time. Usually naming rights are considered in a commercial context, which is that the naming right is sold or exchanged for money or other considerations under a long-term agreement. This arrangement is usually documented in a written agreement signed by the interested parties and has a specified end date to the contractual obligations.

Sponsorship means a mutual agreed to arrangement between the Town 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 facility, activity, series of activities, program, project or special event, or service, in return for recognition, acknowledgement, or other promotional considerations or benefits. This does not include donations and gifts where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought. Generally, sponsorships shall be for a specific, short term, and limited purpose, usually no more than one year in duration. There will be no provision for automatic renewal or extension of the agreement, and it will be subject to an evaluation process.

Sponsorship Assets means tangible or intangible property, including but not limited to Town programs services, events, facilities, structure, parks, signage, or publications for which Sponsorship rights are approved for solicitation.

Town means the Corporation of the Town of Greater Napanee.

5. Responsibilities

5.1. Council of the Corporation of the Town of Greater Napanee

Council is responsible for:

- a) Approval of this policy and any amendments thereto; and
- b) Approval of any new Sponsorship Assets to be available for Sponsorship when the value threshold exceeds \$20,000;
- c) Approval of any Sponsorship agreements or Donations valued at \$50,000 or greater;
- d) Approval of any donation funds for specific programs or projects; and
- e) Approval of all Naming Rights agreements.

5.2. Treasurer

Responsibility and authority are delegated to the Treasurer, or designate, to:

- a) Review and recommend updates to this policy;
- b) Advise staff and prospective donors on the eligibility of charitable donations;
- c) Issue charitable donation receipts in compliance with the Canada Revenue Agency guidelines for eligible donations;
- d) Monitor and report on the balances of any special donation funds as may be established by Council from time to time; and
- e) Approve any Sponsorship agreements or Donations valued up to \$50,000 in consultation with the Chief Administrative Officer and provided they satisfy all provisions of this Policy.

5.3. General Managers

Responsibility and authority are delegated to General Managers, or designates, to:

- a) Review and make recommendations for all sponsorship and advertising for their specific business area; and
- b) Ensure advertising and sponsorship relationships adhere to this Policy.

5.4. Manager of Community Economic Development

Responsibility and authority are delegated to the Manager of Community Economic Development, or designate, to:

- a) Implement and oversee Sponsorship and Advertising programs for Town programs and facilities, including approving any procedures or forms required for such implementation;
- b) Recommend new or expanded Sponsorship Assets to be made available;
- c) Provide information to prospective sponsors or advertising partners about existing opportunities; and
- d) Approve any Sponsorship Agreements valued up to \$10,000, provided they satisfy all provisions of this Policy.

5.5. Municipal Staff

All municipal staff are responsible for:

- a) Referring inquiries about Donations and/or Sponsorship Agreements to the appropriate approval authority, as defined in this Policy; and
- b) Following the conflict-of-interest provisions established in this Policy.

6. Sponsorships Policy

6.1. General Administrative Considerations

- a) Sponsorship and Advertising agreements must comply with all applicable federal, provincial and municipal statutes or Council-adopted plans, as well as the standards set out by the Canadian Advertising Standards Council.
- b) The Town shall have the authority to decline or accept any form of Sponsorship, and acceptance of all Sponsorships shall be at the sole discretion of the Town.
- c) In accordance with the Employee Code of Conduct, no municipal employee shall accept a personal gift or benefit from a sponsor, and all Sponsorships shall avoid real or reasonably perceived conflicts of interest.
- d) Sponsorship agreements must benefit the Town and should also benefit the community and the sponsor.
- e) Agreements shall not in any way invoke future considerations, influence, or be perceived to influence the day-to-day business of the Town.
- f) The term of any agreements shall not exceed ten years unless authorized by Council.
- g) No advertisement of sponsorship relationship shall be interpreted as an endorsement by the Town of any product or service.
- h) The Town will maintain control over the planning and delivery of all sponsorship and advertising opportunities and activities.

6.2. Criteria for Sponsorship Evaluations

Evaluation of proposals for sponsorship or advertising agreements will include the following criteria:

- a) Whether there is a defined need;
- b) Whether there is a civil, cultural, artistic or recreational benefit for residents;
- c) How the proposed arrangement enhances or provides for the development, delivery, awareness, or continuance of Town facilities, programs, services or events;
- d) Whether the Town has sufficient budgeted funds to pay the costs of installation, ongoing maintenance and repairs, and any other incidental costs, or whether arrangement has been made for the sponsor to pay these costs;
- e) That expected acknowledgement is reasonable, consistent with this policy, and does not imply endorsement of a person, product, business or position by the Town;
- f) Donated goods and services are held to the same standards used for

- the procurement of goods and services;
- g) The arrangement does not result in any encumbrances, liens, or debts on the part of the Town;
- h) There are no unreasonable restrictions on use imposed by the sponsor; and
- i) There is no negative impact to the quality and integrity of municipal assets, and no added safety risk.

6.3. Sponsorship Agreements

All sponsorships and advertising shall be confirmed in a written agreement, and must include the following as applicable:

- a) The value of the contribution;
- b) The obligations of both parties;
- c) The term of the agreement;
- d) The disposition and ownership of any assets resulting from the sponsorship;
- e) The licensing and use of the Town's and sponsor's name, trade, logo, and other intellectual property;
- f) A termination provision and the remedies available to both parties upon termination;
- g) Details of the exchange of marketing benefits, including both what the Town will receive from the sponsor, and what benefits are to be provided to the sponsor; and
- h) Insurance and indemnification clauses.

6.4. Naming Rights

- a) All proposals for Naming Rights will be presented to Council for approval.
- b) Naming Rights may be considered for components of a facility as well as for the entire facility. For example, Naming Rights proposals have historically been received and approved for specific rooms or areas of the sports complex, in addition to a Naming Rights agreement for the facility itself.
- c) The term of a Naming Rights Agreement will be for a maximum of ten years, except in the following circumstances:
 - i. A permanent naming was made in honor of a prominent citizen or event at the direction of Council; or
 - ii. The property was donated in its entirety, and the naming was a condition of the donation.

6.5. Solicitation of Proposals

- a) Standard advertising rates will be made publicly available.
- b) Information about standard and recurring sponsorship opportunities will generally be available through the Town website or by contacting the

Manager of Community Economic Development.

- c) For Town-identified sponsorship opportunities, the Town will publicly advertise the opportunity if there is an estimated value over \$10,000 in a single year or over \$50,000 for the term of the agreement.
- d) Unsolicited sponsorship proposals received by the Town will be reviewed and evaluated under the provisions of this Policy and may be declined, accepted, or referred to Council.

6.6. Restrictions

- a) The Town will not solicit or accept sponsorship or advertising from companies whose reputation or business practices could prove detrimental to the Town's public image and / or whose main business is derived from the following:
 - i. Cigarettes, or any tobacco or cannabis product;
 - ii. The sale of weapons;
 - iii. Adult entertainment; or
 - iv. Products or services that present demeaning or derogatory portrayals of individuals or groups or contain anything, which in light of generally prevailing community standards, is likely to cause deep or widespread offence.
- b) Advertising of questionable taste in content or method of presentation will not be accepted.
- c) Although the Town is guided by the Canadian Code of Advertising Standards, and notwithstanding any other provision to this document or of the contract, the Town is the sole and final arbiter in all matters relating to the acceptance of advertisement on all identified advertising opportunities.

6.7. Termination of Agreements

Agreements made under this policy shall state that the Town reserves the right to terminate an existing sponsorship or advertising agreement should the arrangement be deemed to no longer be in the best interests of the Town, such as in the event of:

- a) Failure of payment from the sponsor or advertising partner;
- b) The Sponsor engaging or being perceived to engage in unethical practices, as determined by the Town; or
- c) A change in the Sponsor's status or product that, through association of the agreement, has a negative impact on the Town.

7. Donations Policy

7.1. General Administrative Considerations

- a) In order to be eligible for an official donation receipt, a Gift or Donation must:
 - i. comply with the requirements of the federal Income Tax Act;
 - ii. be made payable to the Town of Greater Napanee;

- iii. be voluntary; and
 - iv. be supportive of the Town's mandate or beneficial to the Town of Greater Napanee.
- b) The Town shall have the authority to accept or decline any form of charitable giving, and acceptance of a Donation shall be at the sole discretion of the Town.
 - c) Only the eligible amount of a donation may be recorded on a donation receipt. If the donor receives any property, services or other Advantage in consideration of their donation, the Fair Market Value of the Advantage will be deducted from the Fair Market Value of the gift to determine the eligible amount for the purposes of the donation receipt.

7.2. Criteria for Donations

- a) Gifts in-kind may only be accepted after the following has been assessed:
 - i. Compliance with municipal, provincial and federal requirements;
 - ii. Consistency with the Town's priorities, mandates, and strategic plans;
 - iii. Value and condition of the donation;
 - iv. Usefulness of the donation to the Town;
 - v. Short and long-term costs and risks, including costs for installation, storage, maintenance, future replacement, and insurance implications;
 - vi. Any conflict of interest, or appearance of conflict of interest; and
 - vii. Availability for full and unencumbered transfer of ownership.
- b) In order to be eligible for a donation receipt, gifts in-kind valued at over \$1,000 shall require an external appraisal by an independent and qualified individual, with the donor to be responsible for the costs of such appraisal.
- c) Donations will not be accepted from persons who have a concurrent application for a permit or license or planning approval from the Town, or from persons who are concurrently bidding for a contract from the Town through a procurement process.
- d) The following non-qualifying donations cannot be issued an official donation receipt for income tax purposes:
 - i. Intangibles such as services, time, skills or effort;
 - ii. Donations that are intended as a flow through to a specific recipient who does not have charitable organization status;
 - iii. Donations of business marketing products;
 - iv. A gift in-kind for which the fair market value cannot be determined; or
 - v. Sponsorship in the form of cash, goods or services, as sponsorships are a reciprocal arrangement benefiting both parties and normally categorized as a business expense.

7.3. Special Donation Funds

- a) Council may, at their sole discretion, establish dedicated funds for the receipt of donations intended for a specific purpose. Such funds may include, but are not limited to:
 - i. Support for the continuation of an existing program;
 - ii. Establishing a new program; or
 - iii. Acquisition or construction of a municipal asset.
- b) Employees and advisory committees are not authorized to establish special donation funds unless specifically authorized by resolution or by-law of Council.

7.4. Donation Receipts

- a) Donation receipts will be issued to the true donor of the gift. Donations made by an individual will have a receipt issued to the individual. Donations made by a corporation will have a receipt issued in the name of the corporation.
- b) Donation receipts shall include all information required by the Canada Revenue Agency.

7.5. Confidentiality of Information

Subject to any disclosure requirements of the *Municipal Freedom of Information and Protection of Privacy Act*, all information pertaining to donors and donations received by the Town is confidential. A donor may request that their gift and all information pertaining to that gift remain anonymous.

8. Related Documents

- Procurement Policy By-law
- Income Tax Act

Appendices

Revision History

Date	Number	Description
		New Policy