

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

GENERAL POLICY STATEMENT

The City of Burlington welcomes and encourages gifts, donations and fundraising activities undertaken to assist in the provision of City services and projects. All donations/sponsorships will be consistent with the City of Burlington's Vision and Mission and will not in any way compromise or contravene any policy of the City or reflect negatively on the City's public image. The City of Burlington retains the right to reject any gift or donation in whole or in part.

PRINCIPLES

1. The Donations & Sponsorship Policy is a comprehensive corporate policy that reflects consistent expectations for all related initiatives.

This policy will apply to all City fundraising initiatives, Citizen Committees of Council, and Boards of Management for Tansley Woods A Centre for Learning and Leisure and the Burlington Seniors' Centre. Local Boards that receive funding from the City and other organizations which utilize corporate assets (e.g. Joint Venture Facilities) will be requested to adopt fundraising standards consistent with this policy.

2. A strategic approach will be undertaken in fundraising, allocating appropriate resources to achieve realistic targets, keeping in mind coordinated and collaborative approaches that make effective use of community resources.

3. Creativity and innovation will be encouraged in achieving revenue generation targets within policy guidelines.

Donor and sponsor opportunities will be priced in order to maximize their appeal, while fairly reflecting their value. Factors that will be considered when valuing opportunities include exclusivity, market reach, and benefits to donor/sponsor.

4. An open and inclusive approach will be taken in conveying the City's intention to embark on a fundraising campaign.

Taxpayers will be advised of the campaign goals, opportunities for their involvement, and the expected timing of the campaign phases and public announcements.

5. The City will adopt generally accepted professional practices and standards related to fundraising initiatives and respect the rights of donors/sponsors subject to provincial and municipal legislation and regulations.

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

6. Evaluation of each campaign, including performance, recognition and value, is critical to the City's success in fundraising and building relationships with sponsors and donors.

DEFINITIONS

The following definitions are based on fundraising industry standards to which City of Burlington staff are expected to subscribe.

- **Agreement** is a written document, signed by two parties, accepting certain conditions and terms.
- **City** means the Corporation of the City of Burlington. The term City encompasses committees associated with the City of Burlington and city owned corporate assets operated by community groups.
- **Corporate Assets** include City-owned buildings, rooms within those buildings, parks and elements of parks including walkways, bicycle paths, fountains, squares, gardens, landscape features, bridges, etc.
- **Donation** means a gift or contribution of cash, goods or services given voluntarily toward an event, project, program or corporate asset as a philanthropic act, for which a Charitable Tax Credit can be issued. Contribution of skills or time through volunteer service do not qualify as donations, as they are not recognized as such in the Canadian Income Tax Act.
- **Donor** means a person or organization that provides a donation to the City of Burlington or Citizen Committees associated with the City of Burlington.
- **Fundraising** means to solicit donations and/or sponsorships of cash, goods or services to benefit an event, project, program or corporate asset.
- **Fundraising Consultant** is an individual hired exclusively to assist with a specific fundraising project or strategy. The individual possesses extensive knowledge of the fundraising industry and advises on matters concerning feasibility of the fundraising project trends and geographical issues, history and provides advice on specific strategies, value of naming and recognition and the subsequent Fundraising Plan if required.
- **Fundraising Feasibility Study** is a study undertaken to assess the potential fundraising success of a specific project, the viability of the project itself and to

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

recommend strategies. This Study will include an assessment of the impact of any proposed major fundraising initiatives on other community based fundraising campaigns.

- **Fundraising Plan** is a strategic plan derived from the Fundraising Feasibility Study that details the scope and specifications of the project, communication tactics and anticipated donor/sponsor recognition including naming opportunities. A Fundraising Plan devised for a City of Burlington project must be approved by Council before being implemented.
- **Gift In Kind** is a donation or sponsorship received in the form of goods or services rather than cash.
- **Memorials** are donations commemorating a person who is deceased or an event.
- **Naming** refers to the bestowal of a name upon a new, existing or renewed corporate asset for an agreed upon term.
- **Presenting Sponsor** is the sponsor that has its name presented immediately adjacent to that of the sponsored activity or event (e.g. XYZ Presents The Burlington Children's Festival).
- **Recognition** refers to the acknowledgement and expression of thanks issued for a donation or a sponsorship, the previously agreed upon terms of publicity and/or promotion that suitably reflect the impact of the donation/sponsorship.
- **Renaming** refers to the bestowal of a new name upon a previously named corporate asset for an agreed upon term.
- **Revenue Generation** includes revenue streams, such as the tax base and user fees, alternative sources of revenue such as donations, sponsorships, grants and the sale of advertising. The funds generated will result in the enhancement and/or creation of programs, services and/or corporate assets and/or offset user fees to offer more financially accessible services.
- **Sponsor** means a person or organization that enters into a sponsorship arrangement with the City of Burlington or committees associated with the City of Burlington, with the intent of promoting itself and/or its products or services.

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

- **Sponsorship** means a contribution of cash, goods or services toward an event, project, program or corporate asset, in return for commercial benefit (i.e. logo placement or presenting sponsorship). The funds typically emanate from the sponsor's marketing, advertising or communication budgets. The intent of a sponsorship is to enhance the image and marketing opportunities of the sponsor in its target market and/or the community. Sponsorships are a reciprocal arrangement benefiting both parties. Usually the cost to the sponsor is categorized as a business expense for which a Business Tax Receipt can be issued.

POLICY STATEMENTS

City of Burlington Council and staff will be proactive in revenue generation by identifying potential fundraising opportunities to assist in meeting identified community needs.

Staff will develop and implement appropriate fundraising strategies to achieve fundraising targets, while maintaining awareness and respect for fundraising endeavours undertaken by others within the Burlington community.

City Council will approve all major fundraising feasibility studies which require fundraising of \$250,000 or more.

Acceptance of donations and sponsorships will be based on a number of criteria, including but not limited to the following:

- Timing and/or proposed location of a donation or sponsorship must be consistent with the objectives outlined in the City of Burlington's approved current and capital budgets and/or approved Council resolution as well as strategic and business plans that address the priorities and/or mandates of the municipality
- Long-term implications on staffing and financial resources, including security, repair, maintenance and insurance coverage should be favourable
- Current or previous relationships between the donor/sponsor and the City of Burlington and/or previous experiences with a specific item or service
- Consideration of the impact on previously-secured sponsorships/donations
- Potential health and safety issues for City of Burlington employees, residents and visitors
- The City of Burlington will provide recognition of donations and sponsorship that is consistent with the fundraising plan and the gift/sponsorship level

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

- Due diligence will be served through the Fundraising Feasibility Study and the subsequent Fundraising Plan to assess public acceptance and/or the anticipated community impact of the donation/sponsorship, particularly when the sponsor's product or public image may be deemed sensitive (i.e. perception of conflict of interest, personal care or health products, etc.)
- Donations of cash or goods and/or sponsorships will not be accepted from groups and individuals recognized as producing tobacco products.
- The City will consider donations of cash, material or goods, and/or sponsorship from companies recognized as producing and/or distributing beer, wine or alcohol products. Sponsorship and donations from such companies may be accepted by the City and by community groups hosting special events in facilities, which can be licensed under L.L.B.O. regulations. In such cases, advertising by these companies will promote responsible consumption of the product. Groups and individuals recognized as producing and/or distributing beer, wine and/or alcohol products may not contribute to services provided exclusively for children, youth and/or teens

Any donation or sponsorship valued at \$50,000 and over requires a written agreement developed in advance by the Department Head of the lead department and the City Solicitor.

FUNDRAISING STRATEGY TEAM

To ensure that the principles outlined in the Donations and Sponsorship Policy are adhered to, a Corporate Fundraising Strategy Team will be formed. Departments that are involved in any fundraising will assign/appoint a member of their staff to the Team.

COMMUNICATIONS

A Fundraising Plan, which includes a Communications Strategy, is required for any initiative where a Fundraising Feasibility Study has been done.

The Communications Strategy must:

- Identify target audiences
- Include a timeline
- Outline a variety of media and methods of communication that will be used throughout the program/campaign and any costs associated
- Suggest key messages on the various elements of the campaign
- Include possible naming opportunities and donor recognition.

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

- Identify potential public relations issues surrounding the campaign
- Provide an explanation for the renaming of a corporate asset (if appropriate)
- Identify assignment of lead responsibilities

The Fundraising Plan will be forwarded to the Director of the Department leading the campaign and the Manager of Corporate Communications for approval, prior to circulation to Management Committee and Council.

DONOR/SPONSOR RECOGNITION

All donations and sponsorships received by the City will be acknowledged and recognized by a letter of thanks sent immediately following receipt of the donation, or in the case of sponsorship, upon completion of the event or project.

In accordance with *The Income Tax Act*, should the City of Burlington offer an item, privilege or other benefit in return for the donation or sponsorship, the recognition should be of nominal value and not exceed the lesser of \$50.00 or 10% of the amount of the donation/sponsorship.

Corporate Communications will implement an annual communication plan, to recognize donors and sponsors of City of Burlington initiatives.

In cases where the donor/sponsor requests no public acknowledgment, the City of Burlington will honour their request subject to any disclosure that may be required pursuant to the *Municipal Freedom of Information and Protection of Privacy Act*.

The Finance Department will issue tax receipts in accordance with Revenue Canada regulations for donations and/or sponsorships valued at \$25.00 and over, based on requests. It is the responsibility of the donor to submit proof of fair market value. (See also the “City of Burlington Policy Manual – Finance Section” for further clarification.)

DONOR/SPONSOR NAMING RECOGNITION

Naming rights may be assigned to a donor or sponsor, provided that the City’s corporate identity is not compromised. The naming opportunity must be detailed in a Fundraising Plan, which has been pre-approved by City Council prior to any solicitation of donations or sponsorships.

Any promotion advertising material developed in conjunction with a Presenting Sponsorship shall prominently feature the name of the activity or event and City of Burlington.

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

Any signage required for donations and sponsorship will be designed, constructed and installed in a manner that is mutually agreed upon by the donor/sponsor and the City. The final decision shall rest with the City.

ROLES AND RESPONSIBILITIES

Members of Council, Citizen Committees and staff each have a role to play in fundraising. Their work in this area will be guided by generally accepted professional fundraising standards and practices. Unique to municipal fundraising is the need to balance the responsibility of conducting business in an open and public forum with the confidentiality inherent in fundraising. This is everyone's responsibility. Specific roles and responsibilities are outlined below.

Council

- Approval of Fundraising Feasibility Studies
- Approval of Fundraising Plans including recognition and naming opportunities
- Support of corporate fundraising programs

City Manager and General Managers

- Assessment of "fit" of fundraising initiative
- Review and approval of prospective donor lists prior to the implementation of a Fundraising Plan
- Support of corporate fundraising programs
- Consideration of Fundraising Feasibility Studies and Fundraising Plans

Management Committee

- Assist as requested with the implementation of the Fundraising Plan
- Consideration of information provided by the Fundraising Strategy Team
- Support participation of appropriate staff on Fundraising Strategy Team

Lead Department

- Manage the Fundraising Feasibility Study process and report to Council
- Develop a Communications Strategy in co-operation with Corporate Communications
- Prepare a Fundraising Plan for consideration by the City Manager and General Managers
- Develop a prospective list of donors for consideration by the City Manager and General Managers
- Manage and implement the Fundraising Plan including the Donor Recognition Program
- Report regularly to Council on the status of the campaign
- Hire and manage fundraising consultants as required
- Participate on the Fundraising Strategy Team

Section: ADMINISTRATION
Subject: Corporate Communications
Topic: Donations and Sponsorship

Corporate Communications

- Provide support through a Communications Advisor or the Manager of Corporate Communications to approved Fundraising Plans
- Develop a Communications Strategy in co-operation with the Lead Department
- Manage the communications aspects (media/photo opportunities, etc.) of approved Fundraising Plans
- Lead the development and participate in the implementation of a communications plan to annually recognize all donors and sponsors
- Participate on the Fundraising Strategy Team

Fundraising Strategy Team

- Identify potential City of Burlington fundraising projects, identify community fundraising initiatives and report on these annually to Management Committee
- Review Sponsorships and Donations Policy and Procedures annually
- Identify fundraising initiatives in Burlington and area that may affect City of Burlington initiatives and report annually to Management Committee
- Share information on strategies to avoid duplication
- Assist in the development and implementation of a Communications Plan to annually recognize all donors and sponsors

For related information, refer to the Naming of City of Burlington Corporate Assets Policy (November, 2001)