

Council Policy



Corporate Sponsorship

Policy Number: CA96/2016
Approval Date: March 22, 2016
Supersedes Policy: N/A

SECTION A

1. Policy Purpose

- 1.1. To establish a framework for Morinville that reflects the values of Council and embraces the long-term viability, growth, and entrepreneurial spirit of recreation and cultural facilities owned and operated by Morinville.
- 1.2. To establish a framework for seeking donations, grants and sponsorships that promote innovation, provide flexibility to seek new partnerships, business opportunities and cost saving opportunities for recreation and cultural facilities owned and operated by Morinville.
- 1.3. To enable Administration to exercise discretion regarding accepting donations, grants and sponsorships.
- 1.4. To support the generation of revenue producing and cost savings agreements, investments and contributions from the private sector and non-profit sector towards the cost of any new capital projects and the ongoing operation of recreation and cultural facilities owned and operated by Morinville including programs, events and equipment.

2. Definitions

- 2.1. **“Donate”** means to contribute funds, services or gifts in kind without an expectation of return.


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- 2.2. **“Enhancement Project”** means a project that will add value to a recreation or cultural facility owned and operated by Morinville.
- 2.3. **“Fund Development”** means the ongoing process to raise funds, the result of which may be a donation, grant or a sponsorship.
- 2.4. **“Grant”** means funds dispersed by one party, often a Government Department, Corporation, foundation or Trust, for a specific purpose.
- 2.5. **“Naming rights”** means Morinville grants the right to name or rename portions of/or a property in exchange for financial consideration.
- 2.6. **“Sponsorship”** is an exchange of funds, services or gifts in kind that is mutually beneficial.
- 2.7. **“Sponsorship Fulfillment”** means the agreement that was made between the funder and Morinville with respect to recognition for the for the donation, grant or sponsorship.

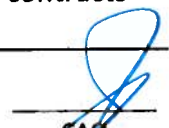
3. Policy Statements

- 3.1. Fund development proceeds, unless designated by the donor of the proceeds, shall be applied to the capital and operating budgets for Morinville.
- 3.2. Morinville may enter into a sponsorship agreement with an external party whereby the external party may contribute, in whole or in part, funds, goods, services to new facility capital enhancement projects, programs, events or activities at recreation and cultural facilities owned and operated by Morinville.
- 3.3. Fund development activities shall safeguard Morinville’s assets and interests. Sponsorship agreements shall result in an optimal balance of overall benefits to Morinville and the community.
- 3.4. Fund development activities shall not compromise Morinville’s ability to carry out its function fully and impartially.
- 3.5. Morinville may not relinquish any aspect of its right to manage and control its recreation and cultural facilities through a sponsorship agreement.

4. Responsibilities

- 4.1. The Chief Administrative Officer (CAO) shall have the authority to negotiate agreements related to fund development that fall within the level of approval of revenue contracts


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delegated to the CAO. Fulfilling Morinville's obligations under Sponsorship Agreements shall be the responsibility of the CAO or designate. The CAO or designate shall:

- 4.1.1. Determine and document:
 - 4.1.1.1. Date and duration of the agreement;
 - 4.1.1.2. Sponsorship contribution;
 - 4.1.1.3. Market value estimate of contribution;
 - 4.1.1.4. Form of recognition Morinville is making available to the sponsor;
 - 4.1.1.5. Comparison of proposals for consistency between sponsor agreements; and
 - 4.1.1.6. Allocation of funds to capital and/or operating budgets.
- 4.1.2. Recommend to Council those projects with a value of revenue to Morinville exceeding the CAO's authority.
- 4.1.3. Seek concept approval from Council prior to initiating negotiations with a potential sponsor for those projects that may, in the opinion of the CAO or Council, be sensitive.
- 4.1.4. Establish a process for tracking and reporting all sponsorship agreements.

5. Standards

- 5.1. Fund Development activities include the seeking of grants, donations and sponsorships will be guided by professional practices as outlined in the Alberta Association of Fund Raising Executives' (AAFRE) Professional Practice Standards, the Ethical Fundraising and Financial Accountability Code as established by the Canadian Centre for Philanthropy, where applicable, and the Association of Fundraising Professionals (AFP) Code of Ethical Principles and Standards of Professional Practice.
- 5.2. Fund Development will be undertaken in accordance with accepted principles of sound business and financial management and generally accepted accounting principles.
- 5.3. Donations, grants and sponsorships shall not result in exclusive use or special user privileges to the existing facilities.
- 5.4. Funds generated through the fund development process may be allocated to expansion and capital projects or to operations.
- 5.5. Where there are costs associated with securing funds and fulfilling the contractual obligations with the sponsor, these costs are reflected in the operating budget.
- 5.6. Sponsorship proposals will be assessed using the following evaluation criteria:
 - 5.6.1. Quality and timeliness of product, and service delivered to Morinville;
 - 5.6.2. Cost to Morinville of sponsorship proposal;
 - 5.6.3. Value to Morinville in cash, or in kind, of the proposal;

- 5.6.4. Compatibility of products and services with Morinville policies, standards and Morinville's operating principles;
 - 5.6.5. Desirability, image and reputation of the proposed sponsor;
 - 5.6.6. Timelines or readiness to enter into an agreement;
 - 5.6.7. Term of the agreement; and
 - 5.6.8. Conformity to facility development enhancement plans and operational goals.
- 5.7. Sponsorship agreements shall be in the form of a legal contract that is acceptable to Morinville and shall contain:
- 5.7.1. Description of the contractual relationship, specifying the exact nature of the agreement;
 - 5.7.2. Term of agreement;
 - 5.7.3. Renewal options;
 - 5.7.4. Payment schedule;
 - 5.7.5. Rights and benefits;
 - 5.7.6. Release, indemnification and early termination clauses;
 - 5.7.7. Insurance clauses; and
 - 5.7.8. Confidentiality terms.
- 5.8. All short-term borrowings in excess of one year shall be subject to Morinville Council approval through the budget process, by bylaw, or by resolution.

6. Procedures

- 6.1. When funds are directed to Facility Naming:
- 6.1.1. A corporation or external organization that becomes the namesake for the facility or elements of the facility shall be recognized for its financial support, where such support is mutually beneficial to the sponsor as well as Morinville and the community;
 - 6.1.2. Naming rights agreements shall safeguard Morinville's assets and interests, enhances access and fairness, and result in the optimal balance of overall benefits to Morinville and the community;
 - 6.1.3. A naming rights agreement shall not compromise Morinville or the facility's users' and tenants' ability to carry out their functions fully and impartially;
 - 6.1.4. Naming rights funding will be allocated to a capital project and/or operational budget;
 - 6.1.5. Naming rights will not be granted in perpetuity.
- 6.2. When funds are directed to operating budgets;
- 6.2.1. Funds specifically designated by a sponsor, donor or other municipal jurisdiction to a program or event will be applied to the operational cost of that program or event; and
 - 6.2.2. Funds generated by advertising will be applied to operations.

6.3. Funds specifically designated by a sponsor, donor or other municipal jurisdiction to a capital project, funds will be applied to the capital cost of that project.

7. Expiry Date

7.1. This policy expires December 31, 2019.

7.2. This policy shall remain in effect if the review date passes prior to Council review.

SECTION B

1.0 Reference to other Policy and Legislation

2.0 Persons Affected

3.0 Review/Revision History and Author



Lisa Holmes
Mayor



Andrew Isbister
Chief Administrative Officer
