
COUNCIL POLICY

Policy Name: **Sponsorship and Advertising Policy**

Policy Number:

A. INTRODUCTION

The City of Burnaby welcomes mutually beneficial sponsorships and advertising on City property, at City programs and in City media as a strategy for generating revenue and enriching the lives of residents by enhancing City events, programs and services. This policy provides eligibility criteria to maximize partnerships, service delivery and revenue opportunities while safeguarding the City's values, image, assets and interests.

This policy is supported by the Sponsorship Guidelines and Procedures and the Advertising Guidelines and Procedures.

Corporate sponsorships and advertising are intended to provide enhanced experience for residents while supporting business development and investment in the community.

B. PURPOSE

The purpose of this policy is to:

- a. Identify administrative roles and responsibilities for managing sponsorship and advertising opportunities and contracts.
- b. Create a systematic approach to solicit, manage and report on sponsorships and advertising.

- c. Provide criteria for generating and maximizing sponsorship and advertising revenue opportunities, while safeguarding the City's values, images, assets, interests and strategic goals.
- d. Ensure that the benefits received from sponsorship at City programs/events and in City media are appropriate and meet specific criteria as set by the City.

C. SCOPE

This policy shall apply to all business relationships between the City of Burnaby and businesses, individuals or organizations that contribute either financially or in-kind to City programs, services, or facilities in return for recognition, public acknowledgement, or other promotional/advertising considerations.

This policy does not apply to the following:

- a. Naming rights or commemorative naming.
- b. Philanthropic contributions, gifts, or donations in which property is voluntarily transferred by a third party to the City without the expectation of a return. In such instances, no value consideration is provided to, and no business relationship exists with, the third party.
- c. Third-party events, programs, or initiatives in which the City of Burnaby provides financial or in-kind contributions, including grants (e.g. Festival Grants, Community Grants, etc.).
- d. Funding obtained from other levels of government, foundations, trusts, etc., through formal grant programs.

Any sponsorship or advertising agreements/contracts that pre-date this policy are not subject to this policy until such time as renewed. Sponsorship and advertising renewals will be subject to this policy.

Any sponsorship or advertising which does not comply to the requirements of this policy will be denied. However, an appeal can be made, and the approval process will be escalated to the Chief Administrative Officer (CAO) or their designate.

D. DEFINITIONS

Advertising

Advertising and advertisement(s) are defined as any message, the content of which message is controlled directly or indirectly by the advertiser expressed in any language and communicated in any medium with the intent to influence their choice, opinion or behaviour. Advertisers are not entitled to additional benefits beyond the space being purchased.

Asset

A physical or non-physical City-owned element including land, material, equipment, building or structure that has value to sponsors or advertisers in order to achieve their business or organizational objectives. Some examples include events, arenas, pools, city vehicles, digital display units, publications and land where media company-owned structures (e.g. billboards, transit shelters) can be erected.

Donations

City assistance in the form of cash or in-kind contributions. Such donations do not constitute a business relationship as no reciprocal consideration is sought. Donations generally qualify for a tax receipt. There is no marketing benefit derived from a donation.

Naming Rights

The naming of an asset (building, room, park, trail, street, field, etc.) to recognize the significant financial support of a naming rights holder. The holder receives the exclusive right to name a City property under specific terms. The naming right is sold or exchanged for cash or other value consideration.

Sponsorship

Sponsorship means a mutually beneficial arrangement between the City and an external company, organization, or person(s) where the external company, organization or person contributes funds, goods or services to the City to offset the cost of City programs and/or in return for publicity recognition, acknowledgement, or other promotional consideration such as activation, merchandising opportunities. Sponsorship arrangements can include external parties whether for profit or otherwise.

Because of the above-mentioned marketing benefits, a sponsorship does not qualify for a tax receipt.

E. RESPONSIBILITIES

- a. Individuals authorized to approve sponsorship and advertising agreements/contracts on behalf of the City, which are in alignment with this policy.
 - Director, Marketing and Corporate Communications (or designate) in collaboration with the Director (or designate) responsible for the City asset, are authorized to approve sponsorship and advertising agreement / contracts on behalf of the City up to \$50,000.
 - Department Heads are authorized to approve sponsorship and advertising agreements/contracts on behalf of the City up to \$100,000.
 - The City Council will authorize sponsorship and advertising agreements/contracts on behalf of the City for over \$100,000.
- b. The Marketing and Corporate Communications Department is responsible for reviewing the advertising content to ensure alignment with this policy and the Canadian Code of Advertising Standards. A sponsor must obtain express prior approval from the City, acting in its sole discretion to approve content creative, branding, messaging, or activation installed, placed, or deployed on any City asset including any use of the City brand or logo.

F. CRITERIA

The City of Burnaby supports entering into sponsorship and third-party advertising agreements/contracts when such agreements are mutually beneficial and consistent with all applicable City policies and bylaws. To ensure that sponsorships and advertising align with the City's projects, events, programs, values and mandate, the following criteria must be satisfied before finalizing advertising agreements/contracts.

F.1 Overall Criteria

The following criteria apply to both sponsorship and advertising agreements:

- a. The relationship must be beneficial for the City, the advertiser or sponsor, and the community.
- b. The sponsorship or advertising must maintain operating policies that are aligned with the City's mandate, policies, procedures or bylaws.
- c. The relationship must not cause a City employee or agent to receive any product, service or assets for personal gain or use.
- d. A written agreement shall clearly outline the duration, terms, and conditions in a form satisfactory to the City, taking into account the complexity, duration, and scope of the arrangement.
- e. Agreements must reinforce that the City does not endorse the products, services or ideas of any sponsor or advertiser.
- f. Sponsors or advertisers will not receive access to any personal or customer information owned by the City of Burnaby.
- g. The sponsorship or advertising must not result in, or be perceived to result in, any competitive advantage, benefit or preferential treatment for the sponsor or advertiser outside of the agreement.
- h. The sponsorship or advertising must not interfere with any existing City of Burnaby contractual obligations
- i. Sponsorship and advertising agreement templates or contracts shall be reviewed by the Legal and Risk Management Divisions to ensure protection from risk and compliance with legislation.
- j. Sponsorship and advertising cannot conflict with any law, regulation, code, policy, by-law, standard or guideline established by the City of Burnaby, the provincial government or the federal government.
- k. Advertising content must comply with the standards set out by the Canadian Code of Advertising Standards.
- l. Solicited and unsolicited sponsorship or advertising proposals will be evaluated according to this policy. The department responsible for the asset

being proposed for advertising will lead the review, in collaboration with the Marketing and Corporate Communications Department. The department responsible will also handle follow-up actions to accept or decline the proposal and ensure proper documentation of communication with the proponent.

- m. The City reserves the right to reject any unsolicited advertising or sponsorship proposals that have been offered to the City.
- n. All sponsorship and advertising agreements must adhere to the specific guidelines developed for each type of opportunity. Please refer to specific guidelines and procedures documents.
- o. Charitable tax receipts, where eligible, will be issued only in accordance with the Income Tax Act and policies of Canada Revenue Agency.

F.2 Sponsorship Criteria

The following criteria apply specifically to sponsorships:

- a. The City retains full ownership and control over the City program, events or services being sponsored.
- b. All sponsorship relationships shall be confirmed in writing or by sponsorship agreement as deemed necessary.
 - i. All sponsorship contributions (cash, products, services) valued under \$1,000 shall be documented in writing by letter outlining the agreement.
 - ii. All sponsorship contributions (cash, products, services) valued at \$1,000 or more shall be documented in a sponsorship agreement.
- c. Media sponsorships shall be documented in writing by letter outlining the agreement.
- d. In order to expedite sponsorship development, a formal competitive process is not required when soliciting sponsorship opportunities. While there is no obligation to test the market, in order to maximize the contribution, it is expected that several prospective sponsors will be approached when circumstances warrant.

- e. The sponsorship revenue must provide “value-add” to an existing program, service or event. Sponsorships are intended to supplement City funding, and to enhance City events, programs or services. A department’s normal funding for the same must not be displaced by the sponsorship arrangement.
- f. Sponsorship revenues received will be directed to the operating budget of the event being sponsored to cover the cost of the program. Sponsor recognition and benefits will be tied to a specific event or program.
- g. Sponsorship will have a termination right by the City if a Sponsor holder breaches its obligations under it; (i) takes action to bring the City into dispute or (ii) otherwise conflict with the City’s values, policies, or community standards or (iii) has a material change in its circumstance such as bankruptcy, insolvency, or criminal activity associated with the named party or brand. The City will not be liable for any reputational or financial losses resulting from such termination.
- h. Sponsorship can not be assigned without written permission from the City. Names change also require City approval. Any costs related to a name or brand change are the responsibility of the sponsor.

F.3 Advertising Criteria

The following criteria apply specifically to advertising:

- a. Advertising can be administered through:
 - i. **Direct advertising:** contracts / agreements between the City and directly with the advertisers (e.g. Activity Guide advertising)
 - ii. **Third-party advertising:** contracts / agreements with the City and third-party media or advertising sales companies or media organizations who manage their assets or city assets under advertising share programs for the City (e.g. transit shelter advertising)
- b. Advertising may be displayed on City-owned lands, properties or in/on City-owned equipment, materials, and facilities. This includes, but not limited to electronic billboards, transit shelters, exterior of civic facilities, eco-bins, bike racks, digital media, City vehicles, arena boards, printed materials such as Activity Guide.

Any new civic assets where advertising will be displayed will be considered and requires an evaluation framework approval as outlined in the Advertising

Procedures and Guidelines by authorized individual (see Section E) prior to advertising being displayed on or in City-owned assets.

- c. Advertising on City assets must maintain the integrity of the City's brand visual identity. It should not obstruct or diminish the City's brand presence, ensuring that the City's identity on the asset remains prominent and easily recognizable and not confusing to the public.
- d. Revenue distribution:
 - i. **Direct advertising:** Advertising revenues received directly from advertisers will be directed to cover the program's operating costs (i.e. design, production, distribution, etc.).
 - ii. **Third-party advertising:** Revenues from advertising received from third-party media or advertising sales companies or organizations will be directed to cover the program's operating costs (including the cost to administer the program).
 - iii. **Net revenue from advertising:** Net revenue generated from advertising are to be placed in a separate reserve account to be allocated at the discretion of Council.
- e. Third-party media or advertising sales company opportunities (e.g. transit shelters) will be solicited through a competitive procurement process to optimize revenue for the City, including community advertising, promotional and information opportunities for City services and programs.
- f. Locations for placement of exterior assets used for advertising will be selected to fully comply with the provisions of the City Bylaws, and in consultation with Departments responsible for application, interpretation, and enforcement of the Bylaw. Approval of locations will align with the approval thresholds outlined in section E. Responsibilities.

G. OTHER RESOURCES

- Advertising Guidelines and Procedures
- Sponsorship Guidelines and Procedures
- Conflict of Interest Policy

APPROVED BY:

AMENDMENT DATE(S):

APPROVAL DATE:

REVIEW DATE:

DRAFT