

Committee of the Whole (2) Report

DATE: Tuesday, February 13, 2024

WARD(S): ALL

TITLE: INCOMING SPONSORSHIP AND DONATION POLICY

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

This report outlines an update to the Corporate Partnership Policy. Staff are seeking approval to modernize the policy as a reframed Incoming Sponsorship and Donation Policy that will allow the City to better facilitate unsolicited financial or in-kind donations to support service delivery.

Report Highlights

- The City has a policy for soliciting financial and in-kind corporate sponsorships and naming rights. However, from time-to-time staff receive unsolicited donation offers.
- This policy update will provide clarity on the method with which City staff can accept both solicited and unsolicited financial and in-kind donations.
- Naming Rights have been removed from this policy and a new policy will be created that addresses Corporate Naming Rights and Commemorative Naming of all City Assets.
- The new policy includes an Approval, Execution and Termination Authority Table to guide staff when soliciting or reviewing unsolicited sponsorship or donation proposals.
- This report includes an Inventory List of city assets available for sponsorships or donations for Council approval.

Recommendations

1. THAT Council approve the Policy and Procedural documentation as approved by the Policy Review Committee (Attachments 1 and 2).
2. THAT Council approves the inventory list of events, programs and services for which staff can solicit donations and sponsorships (Attachment 3).
3. THAT Staff are authorized to enter into sponsorship and donation agreements for approved assets per the inventory list with delegated authority to enter agreements as per the Approval, Execution and Termination Authority Table (Attachment 4), in form satisfactory to the City Manager (or designate) and City Solicitor (or designate).

Background

In January 2017, a new Municipal Partnership Office (MPO) was created, and a Corporate Partnership Policy was approved that began the sponsorship solicitation program.

Before 2017, revenue-generating sponsorships were conducted in Recreation Services under authority from the *Recreation & Culture Partnership Policy* that outlined how companies could partner with the city. The creation of the *Corporate Partnership Policy* provided a framework for staff to solicit Naming Rights, Events and Programming Partnerships, Campaigns, and Advertising.

Sponsorships and donations are a critical source of revenue as municipalities strive to maintain service excellence. Toronto, Brampton, and Mississauga are examples of Greater Toronto Area (GTA) cities that have sponsorship and donation programs and policies.

The City of Toronto's program is the most advanced in the GTA and is managed through the Strategic Partnerships office. They accept sponsorships, donations, and naming rights for facilities.

Brampton's Economic Development and Culture Department, like the City of Vaughan, has enacted a Sponsorship and Naming Rights policy. Their policy reflects Vaughan's 2017 Corporate Partnership Policy as they also accept donations as well as naming rights proposals.

The City of Mississauga has an Advertising and Sponsorship policy. This is paired with a fundraising and monetary donations policy. These programs have been in place since the early 2010s.

The City of Vaughan's Corporate Partnership Policy (2017) is silent on donations to the City. Staff have managed a series of donations in recent years in accordance with the Income Tax Act. As this increased, it became clear that a policy revision was required to advance future opportunities.

Since 2016, there has been an increase in both financial and in-kind donations to the City. Some examples of both solicited and unsolicited donations in the past few years include, but aren't limited to the following:

- C. Valley Paving - \$200,000 in-kind; asphalt for a three-kilometer walkway in Ward 2
- Enbridge - \$30,000 in-kind; smoke detector giveaway via VFRS
- Vaughan Animal Services – up to \$20,000 in financial and in-kind donations annually
- RecAssist – up to \$5,000 in financial and in-kind donations annually
- 20-Minute Makeover – over \$2,000 of supplies donated in-kind annually

Since the COVID-19 pandemic, staff experienced an increase in unsolicited donation proposals. This demonstrated the need for an update to the Corporate Partnership Policy to include procedures to assess if and how staff are to accept donations from individuals and/or organizations.

The previous partnership policy did not include donations. As a result of the increase in opportunities to give to the city, it was necessary to update the policy to reflect the current circumstances.

Previous Reports/Authority

[Corporate Partnership Policy, 2017](#)

[Review of Advertising on City Property Policy, 2019](#)

Analysis and Options

The new Sponsorship and Donation Policy provides the process for all staff when accepting monetary or in-kind Sponsorship and Donations for the City of Vaughan.

The purpose of the policy is to welcome and encourage sponsorships and donations from organizations and individuals to assist in the provision of City services and projects in a fair and transparent manner. The policy also safeguards the City's corporate vision,

image, assets, and interests while securing non-taxation revenue and establishes a consistent city-wide approach for accepting and delivering sponsorship and donations.

This policy applies to all incoming sponsorships and donations between the City of Vaughan and organizations or individuals that contribute either financially or in kind to City programs, services, or facilities and authorizes staff to solicit outside of the *PS-003 Corporate Procurement Policy*.

Sponsorships and Donations for initiatives of all members of Council are governed by the Code of Conduct and the Councillor Member Expense Policy: donations and sponsorships for Councillor initiatives are excluded from the scope of this policy.

Overall, the Mayor and Members of Council are excluded from this policy. For example, initiatives such as the Mayor's Spirit of Generosity Campaign, which allows for applications to be received and funding to be distributed, fall outside of the scope of this policy.

When dealing with sponsorship or donation requests for initiatives such as the Annual Mayor's Gala, Golf Tournament and other Council-led events like movie nights and free skating, the Council Code of Conduct must be followed.

All other incoming sponsorship and/or donation inquiries that come through a member of Council's office shall be forwarded to the appropriate city staff for action under the new procedures as outlined.

The Sponsorship and Donations Policy not only excludes Councillor-led initiatives, but also a series of corporate programs.

This policy does not apply to:

- All Mayor and/or Members of Council initiatives (see Code of Ethical Conduct for Members of Council and the Council Member Expense – 06.C.02 policy).
- Grants obtained from other federal or provincial governments, corporate foundations, trusts, etc. (see Grant Funding – 09.C.01 policy).
- Emergency Donations (see A By-law to appoint members to the City's Emergency Management Program Committee Terms of Reference and amend By-law Number 63-2008 – By-law 030-2019).
- Corporate Naming Rights, and/or Commemorative Naming (see TPF-006 Naming City Parks, Open Spaces, Community Facilities and other Municipal Buildings and Properties Policy).

- Street Naming (see DP-006 Street Naming Policy).
- Any Sponsorship or Donations that pre-date this policy, however, Sponsorship renewals will be subject to this policy.
- Outgoing City Sponsorship support of external projects where the City provides funds to an outside organization.
- Donations of public art or art inventoried in the City's Corporate Art Collection.
- Donations of cultural property including but not limited to Vaughan Archives.
- Campaign contributions as set out in the Municipal Elections Act, 1996.
- Matters related to Planning, Development or Real Estate agreements.

The new policy applies to all City staff when soliciting in-kind or financial sponsorships or donations for city programs, services, or events.

All unsolicited proposals for sponsorships or donations must follow the appropriate procedures as indicated in the Incoming Sponsorship and Donation Procedural document.

The City is permitted to solicit sponsorships and donations for city programs, services and infrastructure that are identified on the **Inventory List (Attachment 3)** as approved by Council.

The City reserves the right to refuse any proposal, including, but not limited to, those submitted by third parties whose activities are perceived to be incompatible with the City's goals, values, or mission. The **Approval, Execution and Termination Authority Table (Attachment 4)** outlines how to accept Sponsorships and Donations from Individuals and Organizations.

In summary, the Policy is divided into the following three categories:

1. Donations from an Individual (either financial or in-kind)

- Solicited Donations – Council-approved program in place including a comprehensive marketing campaign to solicit donations (either financial or in-kind) from individuals, eligible for a tax receipt, no marketing benefits are provided to the donor.
- Unsolicited Donations – Individual provides an unsolicited donation (either financial or in-kind), no set program for soliciting donations, must be vetted, may

be eligible for a tax receipt of total value on or over \$25, no marketing benefits are provided to the donor.

NOTE: Sponsorship from an Individual is not permitted and is considered a donation.

2. Solicited Sponsorships or Donations (either financial or in-kind)

- Solicited Sponsorships – Council approved program, solicitation methods in place to accept financial or in-kind sponsorships and benefit levels developed, fulsome marketing benefits provided to the donor therefore not eligible for a tax receipt.
- Solicited Donations – Council approved program in place that can receive financial or in-kind donations from organizations, a comprehensive marketing campaign to solicit in place, eligible for a tax receipt on or over \$25, no marketing benefits are provided to the donor.

3. Unsolicited Sponsorships or Donations (either financial or in-kind)

- Unsolicited Sponsorship – Unplanned Sponsorship program that doesn't fit within another existing program on the Inventory List, if funding or in-kind product or service is needed it must be approved by SLT and at their discretion perhaps Council given the nature of the sponsorship before marketing benefits are determined and sponsorship deliverables are provided.
- Unsolicited Donations - Unplanned financial or in-kind donations from an organization, that staff has no obligation to accept. If there is a desire to accept the donation and there is a program that exists, the funding can be allocated, eligible for a tax receipt (on or over \$25) and no marketing benefits provided to the donor. If not, staff must refer to the Corporate Procurement Policy for further direction.

Financial Impact

Sponsorships and donations generate revenue for city programs, events, services, and infrastructure that have a positive impact on the City and alleviate some of the property tax burden on residents.

Operational Impact

All staff city-wide must adhere to the new Incoming Sponsorship and Donation Policy and Procedures when acquiring alternative revenue for their programs, events, and services by way of sponsorships and donations.

Broader Regional Impacts/Considerations

The revisions to the pre-existing Corporate Partnership Policy that includes donations puts the municipality at par with its counterparts in the broader region allowing for maximum opportunity for revenue generation.

Conclusion

In summary, the updates to the Corporate Partnership Policy (now named the Incoming Sponsorship and Donation Policy) provide a consistent framework for staff regarding sponsorship and donation solicitation and outlines how to respond to unsolicited proposals related to financial or in-kind partnerships. The City of Vaughan welcomes and encourages sponsorships and donations from organizations and individuals to assist in the provision of City services and the updates to this policy ensure the fair and transparent manner in which to do so.

For more information, please contact: Cristina Prinzo, Program Manager, Municipal Partnerships and Corporate Initiatives Cristina.prinzo@vaughan.ca.

Attachments

1. Incoming Sponsorship and Donation Policy
2. Incoming Sponsorship and Donation Procedures
3. Incoming Sponsorship and Donation Inventory List
4. Approval, Execution and Termination Authority Table

Prepared by

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