

## **Appendix I – Sample Sponsorship Policy**



*SAMPLE*

**XX**

# **Parks & Recreation Department**

## **Sponsorship Policy**

*Draft*

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*Created for XX by:*

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# **XX Parks & Recreation Department Sponsorship Policy**

## **Introduction**

The following guidelines in this Sponsorship Policy have been specifically designed for the XX Parks & Recreation Department, while considering that these guidelines may be later adapted and implemented on a city-wide basis. Some assumptions regarding this policy are:

- Partnerships for recreation and parks facilities and program development may be pursued based on the XX Partnership Policy, encouraging the development of partnerships for the benefit of the city, its citizens, and potential partners. Sponsorships are one type of partnership, and one avenue of procurement for alternative funding resources. The Sponsorship Policy may evolve as the needs of new projects and other City departments are incorporated into its usage.
- Broad guidelines are offered in this policy to delineate primarily which types of sponsors and approval levels are currently acceptable for the XX Parks & Recreation Department.
- The policy should ensure that the definition of potential sponsors may include non-commercial community organizations (for example: YMCA's and Universities), but does not include a forum for non-commercial speech or advertising.
- Sponsorships are clearly defined and are different from advertisements. Advertisements are one type of benefit that may be offered to a sponsor in exchange for cash or in-kind sponsorship.
- The difference between sponsors and donors must be clarified, as some staff and the public often confuse and misuse these terms.

## **Structure**

**Part A** of this document gives the **Sponsorship Policy**

**Part B** gives the **Levels of Sponsorship Tiers and Benefits**

**Part C** provides the vocabulary and **Glossary of Sponsorship Terms**

***Part A.***  
**Sponsorship Policy**  
**XX Parks & Recreation Department**

**I. Purpose**

In an effort to utilize and maximize the community's resources, it is in the best interest of the City's Parks & Recreation Department to create and enhance relationship-based sponsorships. This may be accomplished by providing local, regional, and national commercial businesses and non-profit groups a method for becoming involved with the many opportunities provided by the Parks & Recreation Department. The Department delivers quality, life-enriching activities to the broadest base of the community. This translates into exceptional visibility for sponsors and supporters. It is the goal of the Department to create relationships and partnerships with sponsors for the financial benefit of the Department.

**Sponsorships Vs. Donations**

It is important to note that there is a difference between a sponsorship and a donation. Basically, sponsorships are cash or in-kind products and services offered by sponsors with the clear expectation that an obligation is created. The recipient is obliged to return something of value to the sponsor. The value is typically public recognition and publicity or advertising highlighting the contribution of the sponsor and/or the sponsor's name, logo, message, products or services. The Sponsor usually has clear marketing objectives that they are trying to achieve, including but not limited to the ability to drive sales directly based on the sponsorship, and/or quite often, the right to be the exclusive sponsor in a specific category of sales. The arrangement is typically consummated by a letter of agreement or contractual arrangement that details the particulars of the exchange.

In contrast, a donation comes with no restrictions on how the money or in-kind resources are used. This policy specifically addresses sponsorships, the agreements for the procurement of the resources, and the benefits provided in return for securing those resources. Since donations or gifts come with no restrictions or expected benefits for the donor, a policy is generally not needed.

**II. Guidelines for Acceptable Sponsorships**

Sponsors should be businesses, non-profit groups, or individuals that promote mutually beneficial relationships for the Parks & Recreation Department. All potentially sponsored properties (facilities, events or programs) should be reviewed in terms of creating synergistic working relationships with regards to benefits, community contributions, knowledge, and political sensitivity. All sponsored properties should promote the goals and mission of the Parks & Recreation Department as follows:

**NEED SPECIFIC MISSION STATEMENT**

**Sample XX Parks & Recreation Mission Statement:**

**NEED SPECIFIC GOALS**

**Sample Goals of the Park & Recreation Department:**

### ***III. Sponsorship Selection Criteria***

#### **A. Relationship of Sponsorship to Mission and Goals**

The first major criterion is the appropriate relationship of a sponsorship to the above outlined Parks & Recreation Department's Mission and Goals. While objective analysis is ideal, the appropriateness of a relationship may sometimes be necessarily subjective. This policy addresses this necessity by including Approval Levels from various levels of City management staff and elected officials, outlined in **Section B**, to help assist with decisions involving larger amounts and benefits for sponsorship.

**The following questions are the major guiding components of this policy and should be addressed prior to soliciting potential sponsors:**

- Is the sponsorship reasonably related to the purpose of the facility or programs as exemplified by the Mission Statement and Goals of the Department?
- Will the sponsorship help generate more revenue and/or less cost per participant than the City can provide without it?
- What are the real costs, including staff time, for procuring the amount of cash or in-kind resources that come with the generation of the sponsorship?

**Sponsorships which shall NOT be considered are those which:**

- Promote environmental, work, or other practices that, if they took place in the City, would violate U.S. or state law (i.e., dumping of hazardous waste, exploitation of child labor, etc.), or promote drugs, alcohol, or tobacco, or that constitute violations of law.
- Duplicate or mimic the identity or programs of the Parks & Recreation Department or any of its divisions.
- Exploit participants or staff members of the Department.
- Offer benefits which may violate other accepted policies or the Sign Code. **DO YOU HAVE A SIGN CODE?**

#### ***B. Sponsorship Plan and Approval Levels***

Each project or program that involves solicitation of Sponsors should, PRIOR to procurement, create a Sponsorship Plan specific to that project or program that is in line with the Sponsorship Levels given in **Part B**. This plan needs to be approved by the Management Team Members supervising the project and in accordance to City Partnership, Sponsorship and Sign Code policies. In addition, each sponsorship will need separate approval if they exceed pre-specified limits. The Approval Levels are outlined below:

<b><i>Under \$1,000</i></b>	The program or project staff may approve this level of Agreement, with review by their supervising Management Team Member.
<b><i>\$1,001 to \$10,000</i></b>	The Agreement needs approval of a Management Team Member.
<b><i>\$10,001 to \$25,000</i></b>	The Agreement needs approval of the entire Senior Management Team and Department Director

**Over \$25,000**

The Agreement needs approval of the City Supervisor (the City Supervisor may recommend a City Council or Board of Trustees review).

**C. No Non-Commercial Forum is Permitted**

This criterion deals with the commercial character of a sponsorship message. The City intends to create a limited forum, focused on advertisements incidental to commercial sponsorships of Parks & Recreation facilities and programs. While non-commercial community organizations or individuals may wish to sponsor Department activities or facilities for various reasons, no non-commercial speech is permitted in the limited forum created by this policy:

Advertisements incidental to commercial sponsorship must primarily propose a commercial transaction, either directly, through the text, or indirectly, through the association of the sponsor's name with the commercial transaction of purchasing the commercial goods or services which the sponsor sells.

The reasons for this portion of the Policy include:

- (1) The desirability of avoiding non-commercial proselytizing of a "captive audience" of event spectators and participants;
- (2) The constitutional prohibition on any view-point related decisions about permitted advertising coupled with the danger that the City and the Parks & Recreation Department would be associated with advertising anyway;
- (3) The desire of the City to maximize income from sponsorship, weighed against the likelihood that commercial sponsors would be dissuaded from using the same forum commonly used by persons wishing to communicate non-commercial messages, some of which could be offensive to the public;
- (4) The desire of the City to maintain a position of neutrality on political and religious issues;
- (5) In the case of religious advertising and political advertising, specific concerns about the danger of "excessive entanglement" with religion (and resultant constitutional violations) and the danger of election campaign law violations, respectively.

Guidelines for calculating the **Levels of Sponsorship Tiers and Benefits** are provided and outlined in *Part B*.

## **IV. Additional Guidelines for Implementation**

### **A. Equitable Offerings**

It is important that all sponsorships of equal levels across divisions within Parks & Recreation yield the same value of benefits for potential sponsors.

### **B. Sponsorship Contact Database**

A designated staff person or representative of the Parks & Recreation Department will keep an updated list of all current sponsors, sponsored activities, and contacts related to sponsorship.

#### *Purpose of Maintaining the Database:*

- Limit duplicate solicitations of one sponsor
- Allow management to make decisions based on most appropriate solicitations and levels of benefits offered
- Keep a current list of all Department supporters and contacts
- Help provide leads for new sponsorships, if appropriate

For staff below Management Team level, access to the database will be limited to printouts of listings of names of sponsors and their sponsored events. This limited access will provide information to help limit duplicated solicitations, and will also protect existing sponsor relationships, while allowing the evaluation of future sponsorships to occur at a management level.

If a potential sponsor is already listed, staff should not pursue a sponsorship without researching the sponsor's history with the most recently sponsored division. If more than one division wishes to pursue sponsorship by the same company, the Management Team shall make a decision based on several variables, including but not limited to:

- History of sponsorship, relationships, and types of sponsorship needed
- Amount of funding available
- Best use of funding based on departmental priorities.

### **C. Sponsorship Committee**

A committee consisting of the supervisors of each program using sponsorships and other management team designees shall meet twice per year to review the database, exchange current contract samples, and recommend adjusting benefit levels and policy as needed. Changes shall not take effect before approval by the Management Team.

## **Part B.**

### ***Levels of Sponsorship Tiers and Benefits***

The following tiers are presented as a guideline for types of benefits that may be presented as opportunities for potential sponsors.

Each sponsorship will most likely need to be individually negotiated. One purpose for these guidelines is to create equity in exchanges across sponsorship arrangements. While for the sake of ease the examples given for levels are based on amount of sponsorship requested, the level of approval needed from City staff is really based on the amount of benefits exchanged for the resources. The levels of approval are necessary because the costs and values for different levels of benefits may vary, depending on the sponsorship. It is important to note that these values may be very different. Sponsors typically will not offer to contribute resources that cost them more than the value of resources that they will gain and, typically, seek at least a 2-1 return on their investment. Likewise, the City should not pursue sponsorships unless the total value the City receives is greater than the Township's real costs.

A hierarchy of Sponsors for events, programs or facilities with more than one sponsor is listed below from the highest level to the lowest. Not all Levels will necessarily be used in each Sponsorship Plan. Note that the hierarchy is not dependent on specific levels or amounts of sponsorship. Specific levels and amounts should be designed for each property before sponsorships are procured within the approved Sponsorship Plan. Complete definitions of terms are included in **Part C**.

#### ***Heirarchy of Sponsorship Levels (highest to lowest)***

Parks and Recreation Department-Wide Sponsor ⇒

Facility/Park Title or Primary Sponsor ⇒

Event/Program Title or Primary Sponsor ⇒

Presenting Sponsor (Facility, Event or Program) ⇒

Facility/Park Sponsor ⇒

Program/Event Sponsor ⇒ Media Sponsor ⇒ Official Supplier ⇒

Co-sponsor

This hierarchy will help decide the amounts to ask various sponsors for, and determine what levels of benefits to provide. It is important to build flexibility and choice into each level so that sponsors can have the ability to choose options that will best fit their objectives. Note that the benefits listed under each level are examples of value. The listing does not

mean that all of the benefits should be offered. It is a menu of options for possible benefits, depending on the circumstances. These are listed primarily as a guideline for **maximum** benefit values. It is recommended that each project create a project-specific Sponsorship Plan for approval in advance of Sponsorship procurement, based on the benefits available and the values specific to the project.

#### **I. Sponsorship Assets and Related Benefits Inventory**

***TO BE DETERMINED FOR EACH AGENCY BASED ON OFFERINGS  
(PROPERTIES), VALUATION, AND DETERMINED BENEFITS***

***A tiered structure of actual values and approval levels should be  
determined as part of a Sponsorship Plan.***

*Part C.*  
**Glossary of Sponsorship Terms**

**Activation**

The marketing activity a company conducts to promote its sponsorship. Money spent on activation is over and above the rights fee paid to the sponsored property. Also known as leverage.

**Advertising**

The direct sale of print or some other types of City communication medium to provide access to a select target market.

**Ambush Marketing**

A promotional strategy whereby a non-sponsor attempts to capitalize on the popularity/prestige of a property by giving the false impression that it is a sponsor. Often employed by the competitors of a property's official sponsors.

**Audio Mention**

The mention of a sponsor during a TV or radio broadcast.

**Business-to-Business Sponsorship**

Programs intended to influence corporate purchase/awareness, as opposed to individual consumers.

**Category Exclusivity**

The right of a sponsor to be the only company within its product or service category associated with the sponsored property.

**Cause Marketing**

Promotional strategy that links a company's sales campaign directly to a nonprofit organization. Generally includes an offer by the sponsor to make a donation to the cause with purchase of its product or service. Unlike philanthropy, money spent on cause marketing is a business expense, not a donation, and is expected to show a return on investment.

**Cosponsors**

Sponsors of the same property.

**CPM (Cost Per Thousand)**

The cost to deliver an ad message to a thousand people.

**Cross-Promotions**

A joint marketing effort conducted by two or more cosponsors using the sponsored property as the central theme.

### Donations

Cash or in-kind gifts that do not include any additional negotiated conditions in return.  
Synonyms: Philanthropy, Patronage.

### Editorial Coverage

Exposure that is generated by media coverage of the sponsored property that includes mention of the sponsor.

### Emblem

A graphic symbol unique to a property. Also called a mark.

### Escalator

An annual percentage increase built into the sponsorship fee for multi-year contracts. Escalators are typically tied to inflation.

### Exclusive Rights

A company pays a premium or provides economic benefit in exchange for the right to be the sole advertised provider, at the most competitive prices, of goods purchased by consumers within Parks & Recreation Department facilities and parks.

### Fulfillment

The delivery of benefits promised to the sponsor in the contract.

### Hospitality

Hosting key customers, clients, government officials, employees and other VIPs at an event or facility. Usually involves tickets, parking, dining and other amenities, often in a specially designated area, and may include interaction with athletes.

### In-Kind Sponsorship

Payment (full or partial) of sponsorship fee in goods or services rather than cash.

### Licensed Merchandise

Goods produced by a manufacturer (the licensee) who has obtained a license to produce and distribute the official Marks on products such as clothing and souvenirs.

### Licensee

Manufacturer which has obtained a license to produce and distribute Licensed Merchandise.

### Licensing

Right to use a property's logos and terminology on products for retail sale. Note: While a sponsor will typically receive the right to include a property's marks on its packaging and advertising, sponsors are not automatically licensees.

### Mark

Any official visual representation of a property, including emblems and mascots.

### Mascot

A graphic illustration of a character, usually a cartoon figure, used to promote the identity of a property.

### Media Equivalencies

Measuring the exposure value of a sponsorship by adding up all the coverage it generated and calculating what it would have cost to buy a like amount of ad time or space in those outlets based on media rate cards.

### Media Sponsor

TV and radio stations, print media and outdoor advertising companies that provide either cash, or more frequently advertising time or space, to a property in exchange for official designation.

### Municipal Marketing

Promotional strategy linking a company to community services and activities (sponsorship of parks and recreation programs, libraries, etc.)

### Option to Renew

Contractual right to renew a sponsorship on specified terms.

### Philanthropy

Support for a nonprofit property where no commercial advantage is expected. Synonym: Patronage.

### Perimeter Advertising

Stationary advertising around the perimeter of an arena or event site, often reserved for sponsors.

### Premiums

Souvenir merchandise, produced to promote a sponsor's involvement with a property (customized with the names/logos of the sponsor and the property).

### Presenting Sponsor

The sponsor that has its name presented just below that of the sponsored property. In presenting arrangements, the event/facility name and the sponsor name are not fully integrated since the word(s) "presents" or "presented by" always come between them.

### Primary Sponsor

The sponsor paying the largest fee and receiving the most prominent identification (Would be naming rights or title sponsor if sponsored property sold name or title).

### Property

A unique, commercially exploitable entity (could be a facility, site, event, or program)  
Synonyms: sponsee, rightsholder, seller.

### Right of First Refusal

Contractual right granting a sponsor the right to match any offer the property receives during a specific period of time in the sponsor's product category.

## Selling Rights

The ability of a sponsor to earn back some or all of its sponsorship fee selling its product or service to the property or its attendees or members.

## Signage

Banners, billboards, electronic messages, decals, etc., displayed on-site and containing sponsors ID.

## Sole Sponsor

A company that has paid to be the only sponsor of a property.

## Sponsee

A property available for sponsorship.

## Sponsor

An entity that pays a property for the right to promote itself and its products or services in association with the property.

## Sponsor ID

Visual and audio recognition of sponsor in property's publications and advertising; public-address and on-air broadcast mentions.

## Sponsorship

The relationship between a sponsor and a property, in which the sponsor pays a cash or in-kind fee in return for access to the commercial potential associated with the property.

## Sponsorship Agency

A firm which specializes in advising on, managing, brokering or organizing sponsored properties. The agency may be employed by either the sponsor or property.

## Sponsorship Fee

Payment made by a sponsor to a property.

## Sports Marketing

Promotional strategy linking a company to sports (sponsorship of competitions, teams, leagues, etc.).

## Supplier

Official provider of goods or services in exchange for designated recognition. This level is below official sponsor, and the benefits provided are limited accordingly.

## Title Sponsor

The sponsor that has its name incorporated into the name of the sponsored property.

## Venue Marketing

Promotional strategy linking a sponsor to a physical site (sponsorship of stadiums, arenas, auditoriums, amphitheaters, racetracks, fairgrounds, etc.)

## Web Sponsorship

The purchase (in cash or trade) of the right to utilize the commercial potential associated with a site on the World Wide Web, including integrated relationship building and branding.