

MONITORING REPORT

Subject: Board Policy A.19.2 Fundraising: Acceptance of Sponsorships

Prepared by: Danielle McDonald, Chief Executive Officer

Prepared for: Ottawa Public Library Board

Meeting of: September 10, 2012

Date of preparation: August 20, 2012

Executive Limitations policy A.19.2 Fundraising: Acceptance of Sponsorships was approved by the Library Board on December 13, 2010 and last reviewed on September 22, 2011. It states:

The Ottawa Public Library is a public agency funded primarily by the City of Ottawa. The Library, however, actively encourages the business community, other organizations, and individuals to become sponsors of programs, collections and events. These sponsorships are sometimes referred to as partnerships, although partnerships are not always sponsorships.

Sponsorships provide opportunities for participating organizations to raise their profile and enhance their image in the community. The sponsor gains ongoing recognition through public awareness for a defined time period while it provides financial and/or other benefits to the Library. The Library, however, must maintain strict control in and around the library buildings, programs and resources over the commercial exposure associated with the sponsorship.

Policy Statement

The Ottawa Public Library welcomes and encourages sponsorships and advertising undertaken to assist in the provision of Library collections, programs, services and projects. All sponsorships and advertising shall be consistent with the Ottawa Public Library's mission, ends, core values and strategic directions. A sponsorship will not

compromise or contradict any policy of the Ottawa Public Library or reflect negatively on the Library's public image. All sponsorship and advertising agreements shall be established in a manner that ensures access and fairness and results in the optimal balance of benefits to the Library and the community. The primary objective of the policy's parameters and related guidelines is to safeguard the Library's values, image, assets and interests while increasing the opportunities for revenue generation, cost avoidance, and/or optimization of existing revenues.

Scope of Policy

This policy applies to all relationships between the Library and businesses, organizations and individuals that contribute either financially or in-kind to Library programs, services, collections or facilities in return for recognition, public acknowledgement or other promotional consideration.

The policy applies to:

- *Program and special event sponsorship*
- *Paid advertising on Library property, Library events and in-library publications*

Definitions:

Sponsorship: *Sponsorship is a mutually beneficial exchange, whereby the sponsor receives some tangible benefit in return for providing cash, products and/or services-in-kind to the recipient. The Library pursues sponsorships that financially or otherwise support its mission, ends, core values and strategic directions. Sponsors do not receive tax receipts for their contributions.*

Advertising: *Advertising is the sale to an external company, organization, enterprise, association or individual, of advertising space on Library printed materials or property at Library events, or in conjunction with a Library program. Unlike sponsorship advertising involves the simple purchase by an advertiser of advertising space sold at rates determined by the Library. The purchaser of this space is not entitled to any additional benefits other than those accruing from access to the space purchased.*

Naming Rights: *A naming right is a type of sponsorship in which an external company, organization, enterprise, association or individual, purchases the exclusive right to name an asset or venue (e.g. a library building or part of a facility) for a fixed or indefinite period of time. Usually naming rights are considered in a commercial context, which is that the naming right is sold or exchanged for significant cash and/or other*

considerations under a long-term arrangement. This arrangement is usually documented in a written agreement signed by the interested parties and has a specified end date to the contractual obligation.

See also Board Policy A.19.6 Naming Policy-Commemorative and Non-Commemorative and A.19.3 Donor Recognition Policy.

Accordingly, with regard to a sponsorship offer, the CEO shall ensure that:

1. **OPL and the OPL Foundation:** The Memorandum of Understanding between the Ottawa Public Library and the Ottawa Public Library Foundation reflects this policy and any subsequent revisions to same.
2. **Control:** The Library maintains control over the planning and delivery of sponsorship activities.
3. **Sponsor compatibility:** The goals and objectives of the sponsoring organization are compatible with, and advance the Library's mission, ends, strategic directions, core values, policies and by-laws, and support the Library's commitment to the community; and the Library maintains control over the planning and delivery of sponsorship activities.
4. The sponsorship relationship does not cause a Library employee to receive any product, service or asset of more than \$300.00 for personal gain or use.
5. **Advertising:** With regard to advertising:
 - a) Advertising devices do not impact the quality and integrity of the Library's properties, buildings, streetscape and do not provide any added risks to safety.
 - b) The advertisement of a product does not act as the Library's endorsement of any one product or service over another.
 - c) Any political advertising indicates that it is paid by a party or candidate and avoids any impression that the Library is supporting any particular candidate or party.
 - d) No advertising either directly or through third party arrangements is allowed that conveys a negative religious message that might be deemed prejudicial to

religious groups; promotes alcohol and other addictive substances at venues geared to children; presents demeaning or derogatory portrayals of individuals or groups containing anything which, in light of generally prevailing community standards, is likely to cause deep or widespread offence.

6. **Target Audiences:** *The sponsorship and advertising opportunity is appropriate to the target audience.*
 - a. *Unless the sponsorship activity is geared primarily for adults, for example, a wine and cheese reception, the sponsorship opportunity involves products or services that are legal for children.*
 - b. *Notwithstanding the above, the Library will never accept sponsorships from companies whose main business is derived from the sale of tobacco, pornography related organizations, the support of or involvement in the production, distribution and sale of weapons and other life-threatening products.*
7. **Competition:** *Guidelines are in place to indicate when sponsorships must be competed and when they may be sole sourced.*
8. **Unsolicited sponsorships:** *Unsolicited sponsorship and advertising proposals received by the Library are reviewed and evaluated by the Chief Executive Officer in consultation with the Library's senior management team as per the provisions of this policy.*
9. **Library Rights:** *The Library reserves the right to: reject any unsolicited sponsorship that has been offered to the Library; refuse to enter into agreements for any sponsorships that originally may have been openly solicited by the Library; terminate an existing sponsorship or advertising agreement should conditions arrive that make it no longer in the interests of the Library.*
10. **Evaluation:** *All sponsorship and advertising agreements: are evaluated on a regular basis to determine continued benefits; indicate that the terms of all agreements shall not exceed three years unless authorized by the Chief Executive Officer; the Library evaluates the effectiveness of the recognition program for sponsors and there is a regular accounting and reporting of the financial and promotional costs of benefits of sponsors and the revenue derived from the sponsorship program.*

11. **Board Approval:** *The Board is requested to review and approve any sponsorship agreement or contract: that does not satisfy the provisions of this policy, and; exceeds the value of \$250,000 in one fiscal year.*
12. **Recognition:** *Sponsors receive a level of recognition that is in agreement with the Board's Donor Recognition policy. See also Board Policy A.19.3 Donor Recognition (in development)*
13. **Sponsorship Agreement:** *Any proposed use of the name or logo of the Library, its programs, or its services is clearly identified in the sponsorship agreement: if the sponsorship agreement limits the Library's ability to enter into other sponsorships, the parameters of such an agreement clearly defines the nature and extent of the exclusivity and the timeframe over which the exclusivity is to be granted; Sponsorship agreements do not in any way invoke future consideration, influence, or be perceived to influence the day-to-day business of the Library and; the sponsor does not expect, as a result of the sponsorship, to have any impact on the Library's policies and practices, such as materials selection or purchasing.*

No sponsorship agreements have been entered into for the period of review.

I report compliance.

It should be noted that the full suite of fundraising policies is being reviewed to eliminate inconsistencies, clarify policy from procedure and streamline practices and language for ease of interpretation. These will be brought forward to the Governance and Audit Committee for consideration, prior to bringing them to the Board for final approval.

I hereby present my monitoring report on Executive Limitations Policy A.19.2, Fundraising: Acceptance of Sponsorships to the Board. I certify that the information contained in this report is true.

Signed: _____ Date: _____

Danielle McDonald, Chief Executive Officer