

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 1.31

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 01/04/12

SUBJECT: GUIDELINES FOR MUNICIPAL
SPONSORSHIP OPPORTUNITIES

SUPERSEDES: N/A

I. PURPOSE

The purpose of this directive is to set forth guidelines for existing City sponsorship activities and for the solicitation of new sponsorship opportunities. These guidelines are necessary for the following reasons:

- To establish a consistent procedure for solicitation of sponsorships by City departments;
- To encourage solicitation of major sponsorship opportunities such as facility naming rights (Administrative Regulation 1.03 “City Manager’s Office Naming of City Facilities” will be referenced to ensure appropriate procedures are followed);
- To develop a tracking mechanism for sponsorship revenues; and
- To empower City departments to raise funds for programs, events, venues, and activities that they might not otherwise be able to provide to the City’s residents, visitors, and employees.

II. DEFINITIONS

- A. **Advertising Sales:** The term “advertising sales” means the selling or leasing of advertising space on City’s printed materials and properties whereby the advertiser is not entitled to any additional benefits beyond access to the space purchased. Advertising is a straightforward purchase of space based on pre-established rates.
- B. **Gifts:** The term “gifts” means contributions of cash given voluntarily toward an event, project, program or corporate asset as a philanthropic act, for which Charitable Tax receipt may be issued.
- C. **Gifts-in-Kind:** The term “gifts-in-kind” means contributions of corporate products and/or other assets without charge or purchase usually in return for published acknowledgement. Official Charitable Tax receipt may be issued based on “fair market value” or can be deducted as a business expense.
- D. **Citywide Sponsorships:** The term “citywide sponsorships” means cross departmental sponsorships.

- E. **Municipal Donation:** The term “municipal donation” means funds, products, or services provided by a company, organization, or individual to the City, or one of the City’s departments or other agencies, in consideration of the opportunity for the company or individual to promote its name, product, or service in conjunction with a City program, event, venue, or activity with an assessed value of \$500 or less as determined by the donor and/or City. Municipal donations are governed by Administrative Regulation 2.01 “Department of Human Resources Solicitation of Donations.”
- F. **Municipal Sponsorship:** The term “municipal sponsorship” means funds, products, or services provided by a company, organization, or individual to the City, or one of the City’s departments or other agencies, in consideration of the opportunity for the company, organization, or individual to promote its name, product, or service in conjunction with a City program, event, venue, or activity with an assessed value of over \$500 as determined by the sponsor and/or City.
- G. **Sponsor:** The term “sponsor” means a company, organization, or individual who provides the City, or one of the City’s departments or other agencies, a municipal sponsorship.
- H. **Volunteer:** The term “volunteer” means the contribution of skills or time through volunteer service.

III. ADMINISTRATIVE DIRECTIVE

- A. The following guidelines are designed to provide direction to City departments regarding the solicitation of municipal sponsorships for City programs, events, venues, and activities managed by a City Department. Municipal sponsorships refer to monetary or in-kind donations exceeding \$500.00 for City programs, events, venues, and activities. Municipal donations refer to monetary or in-kind donations equaling \$500.00 or less and are governed by Administrative Regulation 2.01 “Department of Human Resources Solicitation of Donations.” See Section 4.0 “Definitions”
- B. Sponsorship solicitations shall be in furtherance of the City’s needs and conducted in accordance with the provisions of this directive. All City staff, contracted agents, and/or City events contractors who are responsible for, or otherwise involved in, sponsorship activities on behalf of the City or their respective departments, shall adhere to these guidelines set forth herein.
- C. This policy shall not apply to:
 - 1. Sponsorship solicitations which are made in support of a department’s core mission as determined by the Sponsorship Coordination Group (Example: Economic Development business relationship development and recruitment);
 - 2. Advertising sales;

3. Instances where the City of Chesapeake is one of several partners involved in hosting events as determined by the Sponsorship Coordination Group;
4. Volunteers;
5. Funding or gifts in-kind obtained from other levels of governments through normal transfer payments or grant programs;
6. Outside or external organizations receiving funding through the City of Chesapeake;
7. Fees charged, purchase of service agreements, leasing of property, or similar revenue earned by the municipality;
8. Bequests, gifts and gifts in-kind;
9. Sales of expertise, software, property, intellectual property and services, or other complex public-private partnerships involving the delivery of direct service.

IV. PROCEDURE TO ACCOMPLISH ADMINISTRATIVE DIRECTIVE

A. Sponsorship Solicitation:

The following are examples of available sponsorship opportunities and are for example only. All of the following are subject to negotiation and are to be viewed in the context of City standards and ordinances for each particular use:

1. Sponsorship signs (quantity, size, design, and location to be negotiated);
2. Sponsor banners (quantity, size, design, and location to be negotiated);
3. Sponsor logos on publicity materials (programs, posters, ads, tickets, etc.);
4. Acknowledgement in news releases and media;
5. Verbal announcements;
6. On-site displays;
7. Product sampling. Samples of a sponsor's project (excluding alcohol and tobacco products) may be given to attendees subject to City ordinance guidelines;
8. Merchandising opportunities;
9. Exclusivity for product or service category;

10. Hospitality (designated parking, seating, tickets, etc.);
11. Title recognition. The proposal to title a City venue, e.g., a City park, shall be presented to City Council, voted upon, and upon approval, signed by the City Manager. (Administrative Regulation 1.03 “City Manager’s Office Naming of City Facilities” will be referenced to ensure appropriate procedures are followed);
12. Other opportunities shall be considered on a case-by-case basis.

The following are not authorized as sponsorship opportunities:

13. T.V., video, or audio rights to City events unless prior, written approval is obtained from the Sponsorship Coordination Group;
14. Use of the City name, seal, or other insignia;
15. City uniforms;
16. City property other than indicated above, e.g., City parks, unless approved by City Council and the City Manager upon recognition by the Sponsorship Coordination Group.

B. SELECTION OF THE APPROPRIATE SPONSOR

City departments shall select the most appropriate sponsor, taking into account the following criteria: financial value, compatibility with the City’s image and core values, quality of product or service, suitability to the applicable program, event, venue, or activity, and assurance of proposed sponsor’s ability to sustain the sponsorship.

1. The selection shall be impartial and shall be in accordance with the provisions of the sponsor proposal and this directive;
2. All sponsorship opportunities of \$5,000 and over shall be reviewed by representatives from the Sponsorship Coordination Group, Purchasing Department, City Attorney and the respective City Agency to ensure that the granting of a sponsorship opportunity does not result in preferential treatment of the sponsor, and to avoid any conflict with existing contracts. If a department is soliciting sponsorships opportunities of \$5,000 and over, it is recommended they consult the Sponsorship Coordination Group prior to approaching such opportunities to negate any potential conflicts;
3. No action shall be taken which gives the appearance that companies who do not sponsor City programs, events, venues, or activities are treated less favorably than companies who do, or are at a competitive disadvantage in conducting their business with the City;

4. The City reserves the right to refuse sponsorships from politically affiliated groups and individuals. The City reserves this right to insure that all groups are treated in a fair, unbiased and consistent manner;
5. Sponsorships will not be accepted from the following business categories:
 - (a) Tobacco products
 - (b) Firearms
 - (c) Promote or encourage hostility or violence
 - (d) Promote or encourage an attack on ethnic, racial or religious groups
 - (e) Promote or encourage discrimination against any group
 - (f) Promote illegal or inappropriate use of drugs or any illegal activity
 - (g) Promote sexual, obscene or pornographic activities
 - (h) Convey a message that is prejudicial or derogatory to religious or anti-religious groups
 - (i) Individuals or corporations currently not in good standing with the municipality (i.e. currently in violation of a bylaw or under litigation)

C. SPONSORSHIP AGREEMENTS

After the selection of a sponsor is complete, the respective obligations of the sponsor and the City shall be set forth in a written agreement, an approved sample of which may be obtained from the Sponsorship Coordination Group.

1. Each agreement shall be per event, program, venue, or activity and shall not exceed a term of five years. Contracts in excess of five years must be approved by the City Council and/or the City Manager; and
2. The basic sponsorship agreement shall be reviewed and approved by the City Attorney, and executed by the sponsored department's director (or designee). The City Attorney will send the approved agreement to the Sponsorship Coordination Group for record keeping.

D. ACCOUNTING AND RECORDKEEPING PROCEDURES

Departments shall maintain records which provide an audit trail for the receipt of all sponsorships. Departments shall also comply with the following requirements:

1. All revenue, products, and services shall be recorded. A sample recording sheet may be obtained from the Sponsorship Coordination Group.
2. The estimated value of all products or services shall be recorded. Additionally, an appropriate receipt or invoice shall be provided within 30 days to the sponsor or donor per their request;
3. Monetary sponsorships shall only be made by company check payable to "Chesapeake Treasurer." The acceptance of cash is prohibited;
4. A record of all sponsorships including company name, type, amount, and disposition of sponsorship shall be kept up-to-date and accurate. A sample recording sheet may be obtained from the Sponsorship Coordination Group;
5. All funds, products, services, etc., resulting from the municipal sponsorship program shall be used within the sponsored department with the exception of cross-departmental or "citywide" sponsorships;
6. All funds, products, services, etc., resulting from a "citywide" sponsorship program shall be designated for use by City Council or the City Manager;
7. Each executed sponsorship agreement shall be provided to the Sponsorship Coordination Group on a per-event or program basis (Monetary and/or in-kind) to provide comprehensive statistical data; and
8. All funds generated by the municipal sponsorship program which exceed \$10,000 must be appropriated by City Council prior to being spent by City departments or staff. All appropriations will be made in accordance with existing City Policy.

V. RESPONSIBILITY AND AUTHORITY

The City Sponsorship Coordination Group has been created for the purpose of developing and coordinating policy matters affecting the operation and management of City sponsorships. The Sponsorship Coordination Group shall be comprised of representatives from the following City departments/offices:

- Bureau of Community Programs
- Economic Development
- Information Technology
- Libraries
- Parks and Recreation

- Public Communications
- City Attorney (as needed)
- Finance (as needed)
- Purchasing (as needed)

The group shall:

- A. Serve as the central point of contact and clearinghouse for municipal sponsorship activities;
- B. Assist with the development of strategic plans for municipal sponsorships;
- C. Provide information and assistance to City departmental sponsorship coordinators;
- D. Review and approve sponsorship agreements as necessary;
- E. Work with the City Attorney to ensure the legal sufficiency of contractual obligations;
- F. Facilitate communications between departments, especially with regard to which sponsors are being pursued by which departments;
- G. Communicate with the City Purchasing Agent concerning issues of suppliers, vendors, exclusivity, and other procurement matters as necessary; and
- H. Monitor local and national trends in municipal sponsorships.



William E. Harrell, City Manager

1/4/02
Date