

**City of Boulder
Parks and Recreation Department**



Sponsorship Policy

February 13, 2001

City of Boulder Parks and Recreation Department Sponsorship Policy

Introduction

The following guidelines in this Sponsorship Policy have been specifically designed for the Parks and Recreation Department, while considering that these guidelines may be later adapted and implemented on a City-wide basis. The Sponsorship Policy is based on the "Interim Sponsorship Policy" that was accepted for use for procurement of Sponsors for the Boulder Skatepark in September 1999. This policy has since been updated and incorporates changes suggested by City Legal staff, and other necessary changes that have been identified by staff and the City Liaison Office during the Sponsorship Procurement Process. Some assumptions regarding this policy are:

- It embodies the Parks and Recreation Department's historic practices regarding sponsorships. Prior practices dealt almost exclusively with programs, activities, and events. Facility sponsorship was limited prior to 2000.
- The historic practices of City departments regarding sponsorship of programs and activities were diverse and varied. The practices of the different departments are only now being considered in concert. The Sponsorship Policy will evolve as the needs of new projects and other City departments are incorporated into its usage.
- Sponsorships of facilities have, for the most part, only recently been addressed and are rapidly evolving. Broad guidelines are offered in this policy to delineate primarily which types of sponsors are currently acceptable for the City of Boulder Parks and Recreation facilities. As sponsorships with higher possible levels of funding are explored, additional specific guideline details should be explored and offered for consideration.
- The policy should ensure that the definition of potential sponsors includes non-commercial community organizations (for example: CU or BURA) and individuals.
- 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.
- Public and private partnerships for recreation and parks facilities development are being pursued based on the new Partnership Policy, encouraging their development for the benefit of the City, its citizens, and potential partners. These partnerships are expected to overlap with donations and sponsorships, and will occasion review and reconsideration of the relationships among these aspects of resource procurement for facilities development.

Structure

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

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

Part C lists the **Definitions for Sponsorship Terms**

Part A.
Sponsorship Policy - Parks and Recreation Department

Purpose

In an effort to utilize and maximize the community's resources, it is in the best interest of the City of Boulder's Parks and Recreation Department to create and enhance relationship-based sponsorships. This may be accomplished by providing local, regional, and national commercial businesses, non-profit groups, and individuals a method for becoming involved with the many opportunities provided by the Parks and 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 programs.

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, a policy is generally not needed.

Guidelines for Acceptable Sponsorships

Sponsors should be businesses, non-profit groups, or individuals that promote mutually beneficial relationships for the Parks and 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 and Recreation Department as follows:

Parks and Recreation Mission Statement:

The Parks and Recreation Department provides and cares for public park lands and creates opportunities for personal growth. We work with the people of Boulder to provide a broad spectrum of opportunities to renew, restore, refresh, and recreate, balancing often stressful life-styles. We encourage the participation of individuals and families to develop the highest possible level of physical and mental well-being. We believe that well-balanced, healthy people contribute to a productive and healthy community.

Goals of the Park and Recreation Department:

- Promoting physical and mental health and fitness
- Nourishing the development of children and youth
- Helping to build strong communities and neighborhoods
- Promoting environmental stewardship
- Providing beautiful, safe, and functional parks and facilities that improve the lives of all citizens
- Preserving cultural and historic features within Boulder's parks and recreation system
- Providing a work environment for the Parks and Recreation Department staff that encourages initiative, professional development, high morale, productivity, teamwork, innovation, and excellence in management

Sponsorship Selection Criteria

The first major 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 and Recreation facilities and programs. 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 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 and 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) and 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.

The second major criterion is the appropriate relationship of a sponsorship to the Department of Parks and Recreation’s Mission and Goals.

Sponsorships which shall NOT be considered are those which:

- Promote environmental or work practices that, if they took place in the Boulder community, would violate U.S. or Colorado 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 and 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 City Sign Code.

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?

Guidelines for calculating the levels and benefits provided are outlined in Part B.

Equitable Offerings

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

Sponsorship Contact Database

The Parks and Recreation Department keeps an updated list of all current sponsors, sponsored activities, and contacts related to sponsorship. This database is currently being maintained by the City Liaison function.

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.

Sponsorship Committee

A committee consisting of the supervisors of each program using sponsorships, a representative of the City Liaison function, 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.

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 advertising and Sign Code policy. In addition, each sponsorship will need separate approval if they exceed pre-specified limits. The Approval Levels are outlined below:

Under \$1000	The program or project coordinator may approve this level of Agreement, with review by their supervising Management Team Member.
\$1,000 to \$11,999	The Agreement needs approval of a Management Team Member.
\$12,000 to \$99,999	The Agreement needs approval of the entire Senior Management Team.

\$100,000 and over The Agreement needs approval of the PRAB (the PRAB may recommend a City Council review).

B. Sponsorship Levels and Benefits

The following levels are presented as a guideline for types of benefits that may be presented as opportunities for potential sponsors. These levels are based on historic offerings throughout the City, current research, and the work done by the Sponsorship Committee in 1997-1998.

Each sponsorship will 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 will 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 the City should not pursue sponsorships unless the total value the City receives is greater than the City'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. 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. Complete definitions of terms are included in **Part C**.

Exclusive Sponsor (if only one) → Title Sponsor → Primary Sponsor →
Presenting Sponsor → Media Sponsor → Category Exclusive Sponsor →
Contributing Sponsors

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, but keeping in mind that the total value of benefits should be commensurate with those listed below. 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.

EXAMPLE OF LEVELS IN AN APPROVED SPONSORSHIP PLAN:

All benefits must be in accordance to the Sponsorship Policy, equitable, and not in violation of any accepted City Policy or Sign Code:

1. Levels needing approval only from the Program Supervisor: less than \$1,000.

Sponsorships below \$1,000

Typically small sponsorships for single events/programs. These are usually handled by program staff. Event coordinators can determine amount of funding needed, evaluate costs and value, create proposals for sponsors, create a listing of benefits, and get approval from supervisors.

Maximum benefits include some of the following:

- Recognition on program promo items: T-shirts, water bottles, etc.
- Complimentary event passes
- May be recognized at event
- May be recognized as a primary event sponsor (depends on size of event)
- Recognition on event flyers
- May be mentioned in press releases
- May be mentioned within the current Parks and Recreation brochure blurb
- Photos from event
- May hang banner at event

2. Levels needing approval from a Member of the Management Team: \$1,000 - \$11,999.

\$1,000 - \$2,499

Maximum benefits may include above plus some of the following:

- 1/3 page ad in brochure – 1 season
- Invitation to an appreciation event if planned for all sponsors
- Recognition as Primary event sponsor
- Recognition on City web site
- Four admissions at recreation center

First Flatiron – Department Sponsor : \$2,500 – 5,999

Maximum benefits may include above plus:

- Plaque or permanent signage recognition (appropriate to site)
- 1/3 page ad in brochure – two seasons or 2/3 page – one season
- Web site ad for 90 days
- 2 hours of free park shelter usage
- Recognition as a primary or presenting sponsor, depending on property

Second Flatiron- Department Sponsor: \$6,000 - \$11,999

Maximum benefits may include above plus:

- Up to 120 visits on punch pass(es) to Recreation Centers
- 1/3 page ad for full year or full page ad for one season
- One time golf foursome at Flatirons
- Acknowledgement on City utility bill statements

3. Level needing approval from the ENTIRE Parks and Recreation Management Team: \$12,000 - \$99,000.

Third Flatiron - Department Sponsor: \$12,000 - \$99,000

Maximum benefits may include above plus:

- Signage and recognition as appropriate to site and amount
- Free picnic site at Reservoir during off-peak times
- Four corporate annual passes

4. Level needing approval of Parks and Recreation Advisory Board and/or City Council: Greater than \$100,000.

Boulder Peak Sponsor - \$100,000 and above

Maximum benefits may include above plus:

- Exclusive rights in category
- Permanently named portions of facilities
- Full page brochure ads for one year
- For approximately \$400,000 and above: naming rights* to facilities/sites.

***Naming Rights**

In the past the City of Boulder has reserved the right to name facilities or properties in exchange for sponsorships or gifts. It has been done on a limited basis for amounts of approximately \$400,000 or more. This amount is around the average for current trends in sponsorships with naming rights. This minimum level should continue to be maintained or increased, bearing in mind the total costs of a project, the amount of future exposure, and inflation in the coming years.

C. Definitions of Sponsorship Terms

Advertising: The direct sale of print or some other types of City communication medium to provide access to a select target market. Various City departments have approved the selling of advertising separate from the sponsorship of programs or facilities.

Category Exclusivity: The right of a sponsor to be the only company within its product or service category associated with the sponsored property. Usually a benefit at higher sponsorship levels.

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

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 the City.

Hierarchy of Sponsors: If more than one sponsor is used, there is often a hierarchy of levels. These levels can be used to differentiate benefits provided for various amounts of sponsorship, but may be provided for different amounts for different properties. They are (from highest to lowest):

Exclusive Sponsor (if only one) → Title Sponsor → Primary Sponsor → Presenting Sponsor → Media Sponsor → Category Exclusive Sponsor → Contributing Sponsors

In-Kind Sponsorship: Payment (full or partial) of sponsorship fees in goods or services rather than in cash.

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

Presenting Sponsor: The sponsor that has its name presented just below that of the sponsored property, i.e., The Kroger Senior Classic presented by **First National Bank**.

Primary Sponsor: The sponsor paying the largest fee and receiving the most prominent identification (would be the Title Sponsor if Title is sold).

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

Signage: Banners, billboards, electronic messages, decals, etc. displayed on site and containing Sponsor ID.

Sponsors: Companies or individuals which provide cash or in-kind donations designed to provide them with specific benefits or rights that directly and tangibly fulfill their marketing and communication objectives.

Sponsorship: The relationship between a sponsor and a property in which the sponsor pay a cash or in-kind fee in return for access to the commercial potential of an event, program or property.

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

Title Sponsor: The sponsor that has its name incorporated into the name of the sponsored property, i.e., The **Kroger** Senior Classic presented by First National Bank.

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