

RESOLUTION NO. 20-169

A RESOLUTION OF THE CITY OF DENTON AMENDING THE ACCEPTANCE OF SPONSORSHIPS AND DONATIONS POLICY; PROVIDING A REPEALER; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Denton desires to amend the policy guidelines for the Acceptance of Sponsorships and Donations; and

WHEREAS, the City Council deems it in the public's best interest to adopt the revised policy; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The revised *Acceptance of Sponsorships and Donations Policy*, which is attached hereto and made a part hereof for all purposes, is hereby approved and adopted.

SECTION 2. All policies inconsistent herewith are hereby repealed, including without limitation, Resolution 19-1336.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

The motion to approve this resolution was made by GERARD HUDSPETH and seconded by JESSE DAVIS. This resolution was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Chris Watts, Mayor:	<u>✓</u>	_____	_____	_____
Gerard Hudspeth, District 1:	<u>✓</u>	_____	_____	_____
Keely G. Briggs, District 2:	<u>✓</u>	_____	_____	_____
Jesse L. Davis, District 3:	<u>✓</u>	_____	_____	_____
John Ryan, District 4:	<u>✓</u>	_____	_____	_____


Deb Armintor, At Large Place 5:

_____ ✓

Paul Meltzer, At Large Place 6:

✓ _____

PASSED AND APPROVED this the 11th day of February, 2020.


CHRIS WATTS, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY:  _____



APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY:  _____



CITY OF DENTON

Acceptance of Sponsorships and Donations Policy

I. PURPOSE

The purpose of the policy is to provide guidelines for the solicitation, administration, and acceptance of sponsorships and donations received by the City of Denton.

II. POLICY

It is the policy of the Denton City Council that sponsorship and donation opportunities exist to enhance the mission of the City and generate revenue to subsidize costs associated with programs, events, or assets, and are pursued in accordance with the guidelines set forth by the City Council. The City reserves the right to accept or reject a sponsorship or donation at any time.

III. AUTHORITY AND APPROVAL DELEGATIONS

In the event of conflict between this policy and other City policies, this policy will prevail pending proper approvals. Denton City Council, at its discretion, may grant variances to this policy.

Upon the City's acceptance of a sponsorship and donation, a sponsorship or donation agreement shall be between the City of Denton and the donor or sponsor.

Authorized City Staff has the authority to create, solicit, and distribute sponsorship and donation opportunities, receive and assess sponsorship and donation agreements, and accept and deposit funds in accordance with this policy. Authorized City Staff will comply and adhere to City policies, seek consultation with appropriate other City staff (e.g. City Legal, Finance Department) as needed. Authorized City Staff will obtain a copy of the sponsor's current insurance certificate with the City added as a rider, permits and a signed indemnification agreement, when applicable, and shall maintain a log of sponsorships and donations, including the name of each sponsor or donor, amount or a description of the item given, and any other relevant information necessary to effectuate an accepted sponsorship or donation. The Department Director or designee will oversee the purpose and application of this policy.

The following general principles shall apply for approvals:

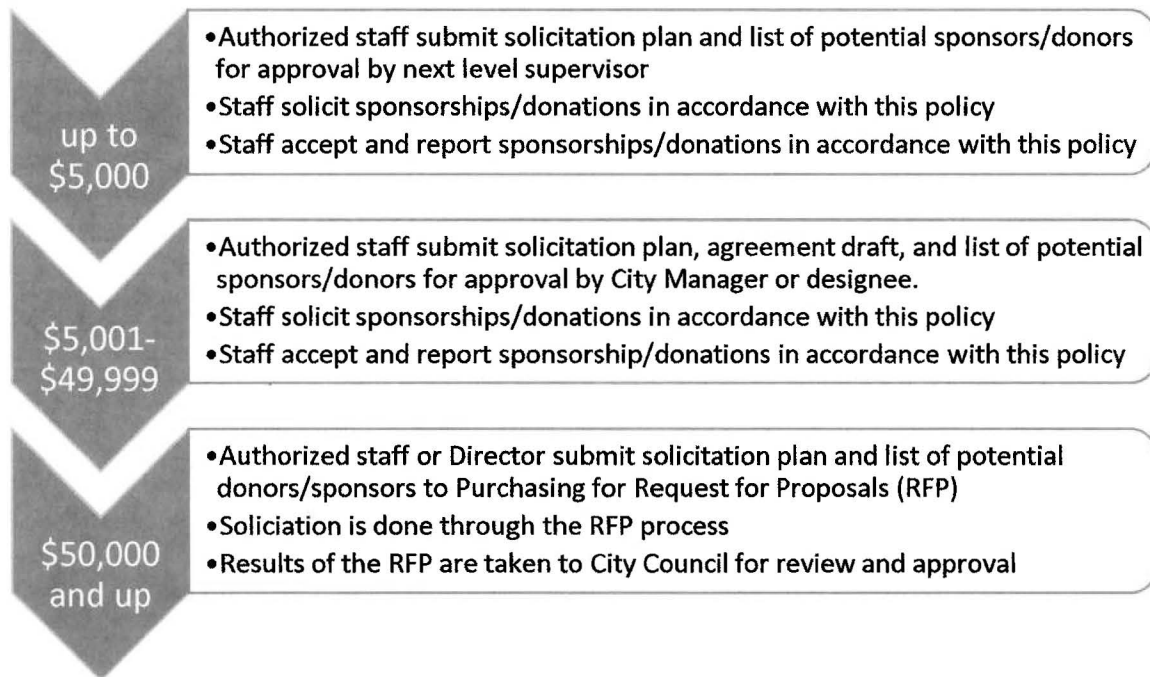
- Only City staff authorized by this policy may accept donations or sponsorship.
- The City has no obligation to accept any donation or approve a sponsorship.
- All donations and sponsorships must be in the public's best interest, support the City's mission, and reflect the City's public image in a positive manner.
- All donations and sponsorships must be in compliance with applicable state and federal law, City policies, ordinances, and resolutions.
- The City does not provide legal, accounting, tax or other such advice. Each donor or sponsor is ultimately responsible for ensuring the proposed donation meets and furthers their financial, and

estate planning goals. As such, each donor and sponsor is encouraged to meet with a professional advisor before making any donation to the City.

- All donations must be used for official City business, and not for political activities or other personal business.
- The City does not, under any circumstances, endorse, validate, or certify the products, services, or ideas of any sponsor or donor, regardless of the level of sponsorship given to the City.
- A donor or sponsor may restrict a donation for a particular City department, location or purpose, but may not designate a certain City official who may use the donation or sponsorship.

APPROVAL DELEGATIONS	RESPONSIBILITY
Authorized City Staff	Approve sponsorships and donations up to \$5,000
City Manager or Designee	Approve sponsorships and donations \$5,001 up to \$49,999 provided City Council approval is not otherwise required.
City Council	Approve all sponsorships and donations equal to or greater than \$50,000.
Authorized City Staff, City Manager, City Council	Some agreements and public recognition display approval may require a combination of approvals in accordance with this policy.
Third Party Individuals and/or Organizations	May solicit sponsorships and donations as outlined in written agreements, but cannot speak on behalf of, or negotiate on behalf of the City of Denton.

SOLICITATION OF SPONSORSHIPS AND/OR DONATIONS WORK FLOW



If an unsolicited sponsorship or donation is offered to the City over \$5,000, it must be accompanied with an agreement and City Manager or designee's approval. If an unsolicited sponsorship or donation is offered to the City over \$50,000, it will require City Council's approval.

No City employee shall directly or indirectly solicit, seek, or accept anything of value in return for being influenced in the performance of an official act; influenced to commit, aid in committing, collude or allow fraud; or induced to perform or fail to perform an act in violation of the employee's official duty or the City's Employee Ethics Policy (10.00). In order to eliminate risk to City employees and to manage any possible conflicts regarding solicitations of donations and offers to sponsor made to the City, no City employee shall engage in any solicitation of donations or enter into an agreement on behalf of the City unless expressly authorized by a City official or by the employee's Department Director or Director's designee, or unless authorized under this policy.

IV. DEFINITION OF TERMS

TERM	MEANING
Administrative Building	A City facility such as City Halls, Service Center, police and fire stations.
Agreement	A written contractual arrangement with the City which details an exchange of a cash or in-kind contribution and the benefits provided in return. Agreements can originate in-house by Authorized City Staff and approvals may vary in accordance with this policy. An agreement is required for contributions valued over \$5,000.
Amenity	An item that enhances the user experience in a City facility or park, such as shade structures, water fountains, benches, picnic tables, playgrounds, equipment and/or furniture.
Asset	A range of City property such as facilities, equipment, furniture, amenities, parks, playgrounds, public open spaces, and/or trails, etc.
Authorized City Staff	A City employee authorized by their supervisor, manager, or director.
Conflict of Interest	Exists when an individual, organization, and/or business is reflected in a negative manner which is contrary to department's mission, competes with on-going programs, events, or partnerships, or negatively compromises the integrity of the City's public image.
Commemorative Name	A name given to recognize an individual, organization or foundation who has made a significant contribution on a local, state, national or world level.
Donation	A cash or in-kind contribution by an individual, organization, and/or business without restrictions or with restrictions specified by a donor or outlined in an agreement, when applicable.
Memorial	An asset or monument which honors a life or an event.
Public Recognition or Display	A benefit that can only be leveraged by Authorized City Staff and/or City Council in accordance with this policy.
Solicitation Plan	A document that clearly outlines the sponsor/donor levels and the benefits given in return for the sponsor/donor's contribution.

Sponsorship	A cash or in-kind contribution by an individual, organization, and/or business in exchange for recognition in the form of publicity, promotional consideration, and/or merchandising. Sponsorships should not be confused with advertising. Advertising is a benefit that can be leveraged.
Third Party Individuals and/or Organizations	Partnerships, contracts, and/or organizations that operate in support of City programs, events, and/or assets. Authorized approvals are required in accordance with this policy by Authorized City Staff, the City Manager, and/or City Council.

V. SPONSORSHIP OPPORTUNITIES FOR CITY PROGRAMS AND EVENTS

CASH SPONSORSHIP

A monetary payment on behalf of an individual, organization, and/or business that provides cash in support of a City event or program in exchange for recognition in the form of publicity, promotional consideration, and/or merchandising.

IN-KIND SPONSORSHIP

A contribution of goods and/or services on behalf of an individual, organization, and/or business in support of a City event or program in exchange for recognition in the form of publicity, promotional consideration, and/or merchandising.

SPONSORSHIP BENEFITS

Benefits are offered in the form of public recognition and/or merchandising and are subject to change. They must be agreed upon in advance and be included in the written sponsorship agreement, when applicable. Benefits vary based on the event or program, size and scope of sponsorship, and range of financial resources.

The extent of recognition and promotional opportunities will depend on the level and nature of each individual sponsorship. Opportunities across a range of online and offline media platforms may include, but are not limited to:

- Appropriate mention on social media platform(s)
- Appropriate mention on posters, digital flyers, and press releases
- Appropriate mention on promotional merchandise, apparel, or uniform

SPONSORSHIP GUIDELINES

Sponsorships are voluntary and will be considered on an individual, case-by-case basis and assessed for potential conflict of interest and alignment with the City's mission and values.

The City does not endorse the products, services, or ideas of any sponsor, regardless of level. Sponsorship agreements shall not limit the City's ability to seek other sponsorships and sponsors cannot commit the City to any financial or operational obligation beyond the terms of any applicable agreement. Sponsors are required to be forthcoming and advise the City if a sponsorship is concurrent with a planning, permit, or procurement application or if the sponsor is in litigation against the City. Failure to disclose these issues or other relevant information may result in ineligibility to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year per City of Denton Code of Ordinances, Chapter 2, Article XI.

VI. DONATIONS

CASH DONATION

A monetary donation on behalf of an individual, organization, and/or business in support of a City asset, event, or program in exchange for public recognition or display.

IN-KIND DONATION

A donation of goods and/or services on behalf of an individual, organization, and/or business in support of a City asset, event, or program in exchange for public recognition or display.

DONATION BENEFITS

Benefits are offered in the form of public recognition acknowledgments or mentions. They must be agreed upon in advance, and be included in a written agreement, when applicable.

Examples may include, but are not limited to:

- Acknowledgement through social media or press release
- Acknowledgment on a donor wall or plaque
- Acknowledgement through installation of a memorial such as a bench, picket, or brick

DONATION GUIDELINES

Donations are voluntary and will be considered on an individual, case-by-case basis and assessed for potential conflict of interest and alignment with the City's mission and values. The City will not accept donations that are conditional upon endorsement or imply their products, services or ideas are sanctioned by the City.

The City will not extend or offer accrued advantages in exchange for a donation. Donors are required to be forthcoming and advise the City if a donation is concurrent with a planning, permit, or procurement application or if the donor is in litigation against the City. Failure to disclose these issues or other relevant information may result in ineligibility to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year per City of Denton Code of Ordinances, Chapter 2, Article XI.

Donations that are being accumulated for a major project or campaign will be held in an appropriate

City account or reserve until sufficient funds for the proposed project have been obtained. Donations become the property of the City of Denton and subject to the laws, policies, and procedures that govern the City.

The City will ensure public interest will remain protected and recognition display guidelines will be assessed and updated in accordance with this policy. As such, Authorized City Staff will implement the following guidelines:

PUBLIC RECOGNITION DISPLAY GUIDELINES	
Anonymous Donations	In all forms of recognition, the donor's wishes for anonymity shall be respected.
Aesthetics, Safety, and Location	Displays must not detract from the aesthetic quality or safety of an asset, and/or the physical attributes of a location.
Agreements	The City will evaluate each donation agreement in exchange for recognition display on a case-by-case basis and will seek City Manager and/or City Council approval as needed.
Commercial Perception	Displays must not be perceived as advertising or commercializing the character of an asset or location and/or create a feeling of proprietary interest. Displays must not advertise promotions, non-brand slogans, or perceived endorsements. Sponsorship opportunities will fit on one of several, pre-determined sizes of sign per City specifications. Sizes of signs to be determined by staff and to be appropriate to the size of the asset to be sponsored.
Quality Specifications	The City will ensure displays are safe and durable, and meet City design or quality specifications, standards, policies, and City Ordinances.
Maintenance	The City is under no obligation to replace stolen, vandalized, irreparably damaged, or destroyed donor displays.
Term	Donor displays may not be in perpetuity. The duration may be the asset's life span or term as specified in an agreement, whichever comes first. The display is subject to replacement or removal if one of these conditions is met. Displays may be repaired/refurbished in cases of damage, if City funding is available.

VII. SPONSORSHIP OPPORTUNITIES FOR CITY FACILITIES AND AMENITIES

Sponsorship opportunities are voluntary and will be considered on an individual, case-by-case basis and assessed for potential conflict of interest and alignment with the City's mission and values.

The City does not endorse the products, services, or ideas of any sponsor, regardless of level. Sponsorship agreements shall not limit the City's ability to seek other sponsorships and cannot commit the City to any financial or operational obligation beyond the terms of any applicable

agreement. Sponsors are required to be forthcoming and advise the City if a sponsorship is concurrent with a planning, permit, or procurement application or if the sponsor is in litigation against the City. Failure to disclose these issues or other relevant information may result in ineligibility to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year per City of Denton Code of Ordinances, Chapter 2, Article XI.

A. Guidelines for Sponsorship Opportunities for City Facilities and Amenities

1. Sponsorship opportunities will not be available for City administrative buildings. However, opportunities may be available for specialized City facilities or amenities such as, but not limited to: parks, playgrounds, spraygrounds, pavilions, shade structures, skate parks, dog parks, athletic complexes and/or fields.
2. Sponsorship opportunities will not be available for existing City facilities or amenities that already have a commemorative name.
3. Sponsorship opportunities for a project can be accepted at any point before, during, or after construction.
4. Once accepted by the City, all funds contributed to a City facility or amenity will be nonrefundable.
5. When a sponsor contributes to a facility or amenity, the funds will be used for land acquisition, design, construction, operation, improvements/upgrades, and/or capital maintenance of said City facility or amenity.
6. Sponsors that contribute to a facility or amenity are not permitted to have the headlining name of the facility or amenity but may be recognized with language such as "presented by or sponsored by." For example, "*Pavilion A, presented by Sponsor X.*"
7. The sponsor recognition will exist until the facility or amenity is repurposed, demolished, met its life span, met its term per an agreement, or if the sponsor is found to be in conflict with the City's mission or values.
8. Sponsorship opportunities will follow the same work flow outlined in the "SOLICITATION OF SPONSORSHIPS AND/OR DONATIONS WORK FLOW" on page 2 of this policy with the noted exceptions below in section B. and C.

B. Approval of Sponsorship Opportunities for City Facilities and Amenities \$49,999 or Less

1. Sponsorship opportunities \$49,999 or less will be for nominal amenities such as but not limited to: shade structures and pavilions. As stated in section VII. A., sponsorship opportunities will not be available for City administrative buildings.
2. City Council will be notified of any sponsorships for a City facility or amenity \$49,999 or less with the placement of the sponsorship agreement on Consent Agenda.

C. Approval of Sponsorship Opportunities for City Facilities and Amenities \$50,000 or More

1. Once a sponsorship opportunity reaches the \$50,000 threshold, the City Council may appoint a seven-member ad hoc committee to review said opportunity. Such committee shall be nominated by individual City Council members. At least two members of the ad hoc committee shall be selected from any impacted advisory or governing board as determined by City Council.
2. The ad hoc committee will provide a recommendation to the City Council regarding acceptance of the sponsorship opportunity and the language to be used on the name of the facility or amenity as well as the term of the sponsorship.
3. The final decision shall be made by the City Council regarding acceptance of the sponsorship opportunity and the language to be used on the name of the facility or amenity as well as the term of the sponsorship.

VIII. PAYMENTS, REPORTS, AND ALLOCATION

PAYMENT PROCESS

Sponsorships or donations are required in full unless otherwise stated in a written agreement. Any donation or sponsorship valued over \$5,000 must be accompanied with a written agreement. Upon acceptance of either a sponsorship or donation, Authorized City Staff must document contribution details in the appropriate software. Details will include:

- Contact information of donor or sponsor (unless donor/sponsor wishes to remain anonymous)
- Value, allocation, and benefit received, if applicable
- If in-kind, description of goods or services
- Name of staff member accepting donation or sponsorship

REPORTING

Departments collecting sponsorships and/or donations are required to meet the following reporting guidelines

at minimum on an annual basis:

- Provide a listing of sponsors and/or donors solicited
- Provide a listing of the amount of sponsorships and/or donations collected
- Publish a listing of vendors that have made contributions, for example on a website or in a report that is accessible to the public

DONATION AND SPONSORSHIP ALLOCATIONS

Payments will be deposited into designated City funds, unless otherwise reallocated by the City Manager and/or City Council. Every year as part of the budget process, City Council will have the

authority to reallocate unrestricted donations. Funds contributed for sponsorship opportunities for facilities or amenities are not eligible for reallocation per section VII.A.5. above.

IX. TERMINATION OF AGREEMENTS

The City reserves the right to accept or reject a sponsorship or donation in accordance with this policy. If the City elects to terminate an agreement, any funds, unused materials or services, or other in-kind contribution received by the City prior to such termination, will be refunded or returned by the City, unless such termination is due to a material breach of the agreement by the sponsor or donor, in which case the City may retain all or a part of the compensation if the City determines that such is necessary to compensate the City for any losses incurred by the City due to such material breach. Funds contributed for sponsorship opportunities for facilities or amenities are not eligible for refund per section VII.A.4. above.