

Sponsorship Policy – Proposed Revisions

Date:	May 26, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to present revisions to Toronto Public Library's (TPL's) Sponsorship Policy to the Toronto Public Library Board for approval. The review was conducted to address City Council's request and to ensure the policy addresses the Library's service and fundraising goals. The City has revised its Sponsorship Policy, Honourific and Street Naming Policy, and its Individual and Corporate Naming Rights Policy and has asked that ABCs adopt policies that are consistent with their revised policies. TPL's Naming Policy was also reviewed and the results of the review are presented in a separate report.

The Library's Sponsorship Policy is consistent with the City's policy framework and continues to meet the needs of the Library and Toronto Public Library Foundation, who were consulted as part of the review process. The Sponsorship Policy affirms public funding is the principal and most important source of funding for library service and sets out conditions under which sponsorship can be used to enhance the level, extend the range, or improve the quality of library service. The policy provides consistent criteria and conditions for sponsors to engage with the Library, and supports partnerships while maintaining the independence and integrity of TPL.

The following changes to the Sponsorship Policy are recommended as a result of the review:

- Revising the solicitation process for sponsorships to allow for single sourced sponsorship agreements to align with the City's process;
- Raising the value of the sponsorship agreements that can be approved by the City Librarian to \$500,000, the same level as City Division Heads in the City's Sponsorship Policy with similar conditions;
- Adding the requirement that all sponsorship agreements over \$100,000 have a contract, and smaller amounts have a written agreement commensurate with the size of the agreement.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts amendments to the Sponsorship Policy as outlined in Attachment 1.

FINANCIAL IMPACT

There is no financial impact to the 2014 operating budget resulting from this report.

The Director Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

The Sponsorship Policy was first approved by the Toronto Public Library Board at its meeting of July 15, 2002. The Board approved revisions to the Sponsorship Policy at its September 15, 2008 meeting.

City Council has revised its Sponsorship Policy, Honourific and Street Naming Policy, and its Individual and Corporate Naming Rights Policy, and has requested that Agencies, Boards, and Commissions adopt policies which are consistent with their policies.

COMMENTS

Background

The Library primarily engages in sponsorship activities through the Toronto Public Library Foundation, who solicits sponsorships on the Library's behalf. The Toronto Public Library also engages with marketing sponsorships through Communications, Programming & Customer Engagement (CPCE).

Relationship between Library and Foundation

The Letter of Understanding between Toronto Public Library and the Toronto Public Library Foundation sets out the official relationship between the two organizations. According to the Letter of Understanding, fundraising is broadly defined to include responsibility for soliciting and negotiating sponsorships on behalf of the Toronto Public Library.

Proposed Changes to the Policy resulting from the Review

Proposed changes to the Sponsorship Policy as a result of the review are detailed in Attachment 1 and highlighted below.

Two significant changes are proposed that will align the Library's Sponsorship Policy with the City's Policy:

1. The dollar amount and conditions under which the City Librarian can approve sponsorships is changed to \$500,000 to be the same as Division Heads in the City's Policy.
2. TPL's current Sponsorship Policy requires a formal competitive process and only allows for single source sponsorship under limited circumstances; the proposed policy removes the requirement for a formal competitive process with the provision that several perspective sponsors will be approached when circumstances warrant.

Changes to the Library's policy are detailed in the order they appear in Attachment 1:

- Addition of the condition that: *The sponsorship must not result in, or be perceived to result in any competitive advantage, benefit or preferential treatment for the sponsor outside of the sponsorship;*
- Addition of wording regarding endorsement that is consistent with the Library's Advertising Policy: *The Library reserves the right to explicitly disclaim endorsement of sponsors;*
- Revisions to the solicitation process as described above to read as follows: *In order to expedite sponsorship development, a formal competitive process is not required when soliciting sponsorship opportunities. While there is no obligation to test the market, in order to maximize the contribution, reasonable effort will be made to identify and approach a number of potentially interested and suitable sponsors for each available sponsorship opportunity. The Library and/or Foundation are not required to seek competing bids when the sponsorship opportunity is initiated by a third party;*
- Changes to terms and conditions under which sponsorships can be approved by the City Librarian to reflect the City's practice:
The City Librarian may approved sponsorships which are:
 - *Valued at \$500,000 or less per year;*
 - *Have a term of three years or less;*
 - *Cumulative sponsorships from a particular third party for the same purpose do not exceed \$500,000 in a given fiscal year; and*
 - *The sponsorship complies with this policy.*
- The policy was revised to include the requirement that all sponsorships over \$100,000 require a contract; the City's policy requires legal contracts for all sponsorships over \$50,000. As amended the Library's policy addresses accountability and administration: *The Library and/or Foundation shall draft a written agreement (e.g. confirmation letter, memorandum of understanding, etc.) consistent with the size, complexity and scope of the sponsorship. All sponsorships valued over \$100,000 require a contract;*

- The policy was revised to clarify that both the Library and Foundation may engage in sponsorships as outlined in the terms of the Letter of Understanding between the two parties:
Pursuant to the Letter of Understanding the Library may also engage in sponsorship opportunities with mutual consultation with the Toronto Public Library Foundation;
- There were also minor formatting changes: Definitions were moved to align with the current policy format, and the date was removed from the Letter of Understanding.

Recommended changes to the Sponsorship Policy bring the Library's policy in line with the City policy and practice and support the Library's service and fundraising objectives.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Revised Sponsorship Policy