



STAFF REPORT ACTION REQUIRED

15.

Sponsorship Policy – Proposed Revisions

Date:	September 15, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The Toronto Public Library Board has undertaken a review of its policies and practices related to fundraising and corporate sponsorships. The review extended over several meetings and included presentations from Library and Foundation staff.

At its June 2008 meeting, the Board considered revisions to the Sponsorship Policy and proposed additional amendments that were referred back to staff for input. This report represents Library staff's assessment of the proposed amendments and recommends the following changes to the Sponsorship Policy highlighted in Attachment 1:

- strengthening the Library's commitment to public funding as the primary source for all programs and services by endorsing the Canadian Library Association's *Position Statement on Corporate Sponsorship Agreement in Libraries*;
- adopting additional criteria to evaluate the appropriateness of sponsorships for children's programs;
- revising approval levels in the Policy to allow for increased Board involvement.

RECOMMENDATIONS

The City Librarian recommends that Toronto Public Library Board:

1. Approves the revised Sponsorship Policy (Attachment 1).

FINANCIAL IMPACT

This report has no financial implications beyond what has already been approved in the current year's budget.

The Director, Finance and Treasurer has reviewed this Financial Impact statement and is in agreement with it.

DECISION HISTORY

The Toronto Public Library Board has undertaken a review of the policies and practices related to fundraising and corporate sponsorships. The review process extended over several meetings and included presentations by Library and Foundation staff related to fundraising and corporate sponsorships.

At its June 16, 2008 meeting, the Board received the *Sponsorship Policy Revisions and Proposed Naming Sub-Committee Terms of Reference* report. This report addressed the Board's April 2008 request that the City Librarian provide a report *with opportunities for Board input into the appropriateness of sponsorship, naming opportunities and donor recognition including the role of the Naming Committee of the Board and also to address issues related to children's programs*.

At its June 16, 2008 meeting, the Board approved receiving an annual report from the Toronto Public Library Foundation outlining the general terms and conditions of all sponsorships as well as the Terms of Reference and membership for the Naming Sub-Committee. The Naming Sub-Committee held its first meeting in July to review naming opportunities related to the Toronto Reference Library Capital Campaign.

Proposed revisions to the Sponsorship Policy recommended in the report included new criteria to assess the appropriateness of sponsorships for programs, events, services or activities involving or targeted to children. Specifically, it was recommended that the existing policy language be revised to:

“The Library will give special consideration to sponsorships involving or targeted to children, including attention to evolving community values and standards.

The Library will not seek or accept sponsorships for programs, events, services or activities involving or targeted to children:

- from companies whose products cannot be legally sold or distributed to children;
- from companies whose products are inappropriate for use by children;
- that involve commercial advertising of food and beverages to children.”

In considering proposed revisions outlined above to the Sponsorship Policy, additional amendments were proposed by Board members:

- 1) *Page 2 – Policy Statement: include language that there be no sponsorship funding for core library service*
- 2) *Page 2 – General Criteria: add a fourth bullet including language that sponsorship funding does not replace public funding*

- 3) *Page 3 – Proposed Policy Language:* add “and Youth” to *Appropriateness of Sponsor for Children*
- 4) *Page 4 – Sponsorship Solicitation:* add a third general principle that potential sponsorships will be made public, where possible
- 5) *Page 5 – Approval of Sponsorships:* change the approval of sponsorships to:
 - *City Librarian may approve sponsorships which are:*
 - *valued at \$100,000 or less per year*
 - *have a total, multi-year value of \$250,000 or less.*

ISSUE BACKGROUND

The issue of corporate sponsorships in public sector organizations and libraries has been a topic of discussion and debate. *The Canadian Library Association Position Statement on Corporate Sponsorship Agreement in Libraries* recognizes the benefits of sponsorships while acknowledging potential risk. In summary, the *Canadian Library Association Position Statement on Corporate Sponsorship Agreement in Libraries* recognizes sponsorships provide funding to support libraries in providing the best possible services to their communities. Public funding is considered the principal source of funding and libraries have a responsibility to develop policies and sponsorship agreements that outline conditions and benefits.

As outlined above, over the past few months, the Library Board has undertaken a thorough discussion and review of the Library’s fundraising policies framework. To provide background and context, Library and Foundation staff members gave presentations outlining the potential benefits of corporate sponsorships to public sector organizations as well as policy responses to minimize risks. Within this context, the Board generally considered its policies to be comprehensive and following best practices for public sector organizations recommended in the literature and by the *Canadian Library Association Position Statement on Corporate Sponsorship Agreement in Libraries*.

COMMENTS

Library staff members have given careful consideration to Sponsorship Policy amendments proposed by the Library Board at its June 16th meeting. As a result of this consideration, recommended amendments and supporting rationale are summarized below.

Proposed Amendments # 1 & # 2

Page 2 – Policy Statement:

- *include language that there be no sponsorship funding for core library service*

Page 2 – General Criteria:

- add a fourth bullet including language that sponsorship funding does not replace public funding

Recommended Amendments

To address amendments #1 and #2, it is recommended that the policy be amended to reinforce that public funding is the principal and most important source of funding for public library service in Toronto by incorporating and attaching the Canadian Library Association's *Position Statement on Corporate Sponsorship Agreement in Libraries*. It is recommended that the policy be amended to include a new paragraph outlined in bold below.

Toronto Public Library recognizes that public funding is the principal and most important source of funding for library service in Toronto. The Library endorses the Canadian Library Association's *Position Statement on Corporate Sponsorship Agreement in Libraries* which supports the importance of public funding for the public good, while allowing libraries to pursue supplementary funding. Publicly funded libraries can and do explore other sources of funding, such as grants, gifts, donations, partnerships and sponsorships, to ensure that they provide the best possible services to their communities. Corporate sponsorships are one source of additional support that allows libraries to enhance the level, extend the range, or improve the quality of library service.

Rationale

By strengthening the language in the Sponsorship Policy to reinforce that public funding is the principal and most important source of funding for public library service in Toronto, the Board is reinforcing that their first priority will be advocating for public funding for libraries. This commitment will be strengthened by adopting the Canadian Library Association's *Position Statement on Corporate Sponsorship in Libraries* which acknowledges that sponsorships can enhance library programs by supplementing public funding. It is not recommended that language be added to the policy to restrict core programs from sponsorships. It is often desirable to enhance, extend or improve these programs whenever possible as they are the most important in achieving the Library's strategic objectives.

The TD Bank sponsorship of the Summer Reading Club is a specific example of how sponsorships enhance an important library program. The Library could offer a basic summer reading club program with existing public funding. The TD Bank sponsorship supports a national library program delivering a TPL-created summer reading club

program in large and small communities throughout Canada. The sponsorship provides dedicated staff resources, translation, high quality art work, posters and stickers, a dedicated web site, printing, program and professional resources. The sponsorship also provides additional promotion and outreach beyond the Library's walls. The high quality and appeal of the enhanced program engages children and encourages reading, thereby supporting the library's service objectives and enabling a significant contribution to public library service for children in Toronto and across Canada. In short, TD Bank's sponsorship allows the Library to achieve the following objectives:

- 1) higher quality program materials;
- 2) broader program promotion;
- 3) national positioning of TPL as a leader in children's reading programs;
- 4) higher program participation.

Proposed Amendment # 3:

Page 3 – Proposed Policy Language:

- add "and Youth" to *Appropriateness of Sponsor for Children*

Recommended Amendment

It is recommended that the additional policy language from the June 16th meeting regarding the appropriateness of sponsors for children be retained as outlined below and that these criteria not include youth. New policy language is outlined in bold below.

The Library will give special consideration to sponsorships involving or targeted to children, including attention to evolving community values and standards.

The Library will not seek or accept sponsorships for programs, events, services or activities involving or targeted to children:

- from companies whose products cannot be legally sold or distributed to children;
- **from companies whose products are inappropriate for use by children;**
- **that involve commercial advertising of food and beverages to children.**

Rationale

The proposed change is administratively difficult for the Library to implement.

- Youth is a loosely defined age category and there is no single age of majority defined in the law. Legally, there are different ages of majority for different types of responsibility, for example, driving and voting.
- In the Library's context, the age ranges for youth differs. For example, the *Library's Circulation and Collection Use Policy* defines youth as ages 13-17, but a broader definition is used for programs, for example, 24 and under. In legal terms, this age range includes both youth and adults.
- It is difficult to objectively define products which are appropriate for youth. Appropriateness is influenced by individual preferences, lifestyles, life

experience, and culture. Products including cosmetics, video games, electronics and food and beverages are of great appeal to some youth. By association, sponsorships could assist the Library in achieving its service objectives by potentially engaging youth in Library programs of benefit to them. The existing policy language provides the flexibility to address the merit and benefit of any sponsorship for youth on a case-by-case basis.

Proposed Amendment # 4:

Page 4 – Sponsorship Solicitation:

- add a third general principle that potential sponsorships will be made public, where possible

Recommended Amendment

None. It is recommended that the existing policy language be retained as outlined below:

Sponsorship Solicitation - The Library is committed to as open, competitive, transparent and accountable a sponsorship process as possible while being sensitive to the need for confidentiality with respect to the business interests of some sponsors, particularly during the negotiation phase.

Rationale

The current language addresses the principle that potential sponsorships will be made public where possible. Additionally, the annual list of fundraising priorities is approved by the Board and sponsorship opportunities will be made available on the Foundation's website.

Proposed Amendment #5:

Page 5 – Approval of Sponsorships:

- *change the approval of sponsorships to:*
City Librarian may approve sponsorships which are:
a) *valued at \$100,000 or less per year (currently \$250,000)*
b) *have a total, multi-year value of \$250,000 or less (currently \$500,00 or less)*

Recommended Amendment

It is recommended that the Board adopt the amendment that the City Librarian approve sponsorships which are valued at \$100,000 or less per year and have a total multi-year value of \$250,000 or less. Amended language is outlined in bold below.

The City Librarian may approve sponsorships which are:

- valued at **\$100,000** or less per year; and
- have a term of three years or less; and
- have a total, multi-year value of **\$250,000** or less

Rationale

The Library does not anticipate any significant impacts as a result of revising the current sponsorship approval levels of \$250,000 and a total multi-year value of \$500,000 to \$100,000 and a total, multi-year value of \$250,000. In some cases, new approval levels may lengthen sponsorship negotiations, but the Library and Foundation anticipate that they will be able to manage this impact.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Revised Sponsorship Policy