

Definition:

Sponsorship is a business relationship between two organizations. In this case it is between the OBC and businesses or other organizations.

Purpose of Policy:

To set out the criteria and decision-making process for sponsorship of OBC activities.

Overview:

OBC may solicit and accept sponsorships for events, programs and operations within the terms outlined below. Sponsorship monies are deemed a desirable form of revenue diversification which allows OBC to keep membership dues low and event fees affordable while contributing to the operational funds of the organization. The OBC may also accept sponsorship in the form of products, services, or volunteers.

Note: the OBC is not a Registered Charity as defined by Canada Revenue Agency, and will not issue CRA approved charitable tax receipts in return for sponsorship funding.

Approval of Sponsorships:

The OBC Board of Directors is ultimately accountable for the sponsorship policy and for approval of individual sponsorship agreements. However, for efficiency, the approval process is divided into two levels:

1. Sponsorships limited to events or single program actions (e.g. Rideau Lakes Cycle Tour, Time Trial Series) totaling no more than \$10,000 and in full compliance with the sponsorship policy: the decision is delegated to the Director who is responsible for the program area.
2. Sponsorships of any size involving exclusivity, a length of three years or more, an amount exceeding \$10,000 or any doubt about compliance with sponsorship policy: the Board of Directors, using its normal decision process, makes the decision. This tier of sponsorships shall be recommended to the Board by the Director who is responsible for the program area.

Record Keeping

All sponsorships shall be reported to the OBC Board, within regular event reporting or status reports, so that a database can be maintained and potential major sponsors identified. The Marketing Director is responsible for this database, which may be maintained by the OBC admin staff.

Acceptance considerations

Only reputable individuals and organizations whose image, product or services do not conflict with OBC's mission or values should be considered as sponsors. The OBC reserves the right to reject any sponsorship offer. OBC's long term reputation takes precedence over short term monetary needs.

While each potential sponsorship agreement will be considered on its merits, and judgement and discretion will characterize the decision making, the following questions should be addressed:

- Would this association be a good fit with OBC's image?
- Does the sponsorship conflict with the OBC's values?
- Does the sponsorship suit the OBC's overall strategy?
- Will this sponsorship help us realize the OBC's objectives?

OBC will not normally enter into sponsorship discussions with organizations that have a primary focus on:

- Political activity, including registered political Parties, or activist groups
- Religious activities

Confidentiality

To reduce liability and maintain relationships in case details change in the future, rejections shall be kept confidential. The information will normally be known only to the OBC Executive, program Director, OBC admin staff. and any other relevant members of the OBC Board

Scope of Sponsorships

Program and operational sponsorships may be negotiated for any specified time period. Relationships that are anticipated to exceed three years require a review at least every three years. Event sponsorship may be for one event or a related series of events.

Benefits and recognition

Operational and program sponsors shall be recognized in ongoing ways such as the OBC web site, member communications and literature related to the sponsored program. Recognition is limited to display of the sponsor's name and logo, a few words of description and a link to the sponsor's website. Additional recognition such as the use of product names, banners, advertisements or special promotions shall involve the provision of additional resources to OBC.

Event sponsors shall be recognized only in connection with the event, which may include any advance publicity, programs, OBC web or e-bulletin announcements, event signage, or oral thanks at a group meeting.

Programs and events may be named after sponsors providing 60% or more of OBC's total related costs including overhead and share of operational costs. Such naming shall always be time-limited and require advance Board approval.

Sponsors wishing to promote their support of the OBC may use the name, logo, URL (live linked where possible), in accordance with contract terms regarding advance approval of the specific content and wording from the OBC.

OBC will not grant exclusivity extending beyond a single event without a full examination of the benefits to the OBC. Sponsors requesting exclusivity must be funding a minimum of 75% of the total related costs and share to be applied to operational costs.

Endorsement

In no circumstance will OBC become involved in a situation that requires it to endorse a sponsor's product.

Short term sponsorships and Sponsorships under \$10,000

For short term sponsorships and sponsorships under \$10,000, the program Director who is responsible for the particular OBC program will draft a Sponsorship Agreement consistent with the size and the scope of the sponsorship. In most cases a short letter with sign-back will be sufficient. The agreement will be directly with the sponsor, not any agent or broker. Directors with program responsibility may approve such Sponsorship Agreements within their programs.

Sponsorship Agreements are to include a clarification of the planned use of the support, minimum recognition the sponsor shall receive, the need to have any use of each other's logos approved in advance, and the statement the OBC does not endorse sponsor's products or services. A sample Sponsorship Agreement is attached (Appendix A).

Sponsorships exceeding \$10,000, or multiple events

Sponsorships exceeding \$10,000, or multiple events, must be supported by a Sponsorship Contract. In addition to the items stated above, the contract shall clarify relevant aspects of:

- When the sponsor will provide payment, or make promised in-kind goods or services available.
- Who the main contact(s) will be for each party.
- Any interim or final reporting agreed upon, how the agreement shall be monitored and when reviewed.
- When the agreement terminates, and how early termination is to be effected.
- Any minimum or maximum amount, and how determined, and any exclusivity commitment.
- How any failure to meet commitments will be handled. (e.g. what happens if the event is cancelled)
- Trademark Guidelines and manner of use for both parties

Sponsorship Contracts should be drafted by the program Director who is responsible for the particular program, and are to be approved by the OBC Board.

Appendix A: Template for Sponsorship Agreement (< \$10,000 total value)

OBC Letterhead

(date)

(sponsor contact)

(sponsor company name and address)

Dear (sponsor contact)

I am pleased to confirm the (sponsor organization) and the Ottawa Bicycle Club (OBC) will be co- operating in the (event/program).

Thank you for agreeing to sponsor this activity by providing (\$ and/or contribution of goods or services). Your participation will help ensure its success.

Your support will be recognized by (insert agreed-to recognition).

Please continue to discuss any details with OBC [name] at (insert contact number).

Please advise me if you cease to be the main contact person at your organization, and who the new contact is (if known). I am available at (insert contact number).

By signing this Agreement, you confirm that as a sponsor you will not imply that the OBC has endorsed your products or services and you will seek advance approval for each and any use of the OBC logo or brand, such as on your website. The OBC will do the same with respect to any use of your logo or brand.

After signing below, please forward this signed agreement to the OBC at [email address]

If for any reason (the event/program) does not take place as planned, you will be contacted to discuss appropriate changes to this Agreement.

Again, welcome to the family of OBC sponsors. I hope your involvement now is the start of a long and mutually beneficial relationship with the OBC

Sincerely

_____ (signature)

(name of Director approving)

OBC Director

Date _____

_____ (signature)

(name of sponsoring organization)

(name of individual signing)

Date _____