

Memorandum

Office of the Vice-Principal (University Advancement)
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TO: Board of Governors

FROM: Marc Weinstein, Vice-Principal (University Advancement), and
Louis Arseneault, Vice-Principal (Communications and External Relations)

SUBJECT: Proposed Sponsorship Policy

DATE: February 13, 2020

DOCUMENT #: GD19-40

ACTION REQUIRED: ☐ INFORMATION ☒ APPROVAL/DECISION

ISSUE & EXPECTED OUTCOME A new *Sponsorship Policy* is presented to the Board of Governors for consideration.

BACKGROUND & RATIONALE Sponsorships are important for building relationships with the broader community and for diversifying external revenue to the University. As part of the *Made by McGill* campaign, and, in particular, the Bicentennial celebrations, the University has a special interest in developing sponsorships, since there are many associated opportunities that could generate new funding.

The proposed new *Sponsorship Policy* provides a framework of rules to govern the University's relationship with sponsors, clarifies roles and responsibilities, creates consistency in the way sponsorships are managed, and promotes the efficient delivery of commitments.

ALIGNMENT WITH MISSION AND STRATEGIC PRIORITIES The proposed *Sponsorship Policy* specifies that the University will not enter into any agreement with a sponsor where the association with the sponsor or acceptance of the sponsorship would jeopardize the University's financial, legal or moral integrity, adversely impact the University's reputation in the community, or contradict the University's values or mission (*see paragraph 3.2 of the Policy*).

Furthermore, the Policy ensures that the University's commitment to the principles of academic freedom, freedom of expression, the avoidance of illegal discrimination, and institutional autonomy are upheld in any relationship with a sponsor (*see paragraph 3.1 of the Policy*).

COMPLIANCE WITH UNIVERSITY POLICY The proposed *Sponsorship Policy* complies with the latest associated policies in effect, including:

- *Policy on the Approval of Contracts and Designation of Signing Authority*: For use of the appropriate signing authority for sponsorship

	<p>agreements.</p> <ul style="list-style-type: none"> • <i>Regulation on Conflict of Interest</i>: To ensure that there is no conflict of interest or appearance of conflict of interest created by a sponsorship. • <i>Procurement Policy</i>: For compliance with any procurement aspect to a sponsorship agreement. • <i>Policy Relating to the Naming of University Assets</i>: For compliance with any proposed naming component to a sponsorship.
COMPLIANCE WITH LEGISLATION/ EXTERNAL REGULATIONS	<p>The <i>Sponsorship Policy</i> aligns with the Canada Revenue Agency's definition and treatments of sponsorships.</p> <p>The proposed <i>Sponsorship Policy</i> has been reviewed and approved by the University's Legal Counsel.</p>
RISK FACTORS	The Policy provides a framework for sponsorship what aims to mitigate risk.
SUSTAINABILITY CONSIDERATIONS	N/A
IMPACT OF DECISION AND NEXT STEPS	<p>The <i>Sponsorship Policy</i> is intended to be a University-wide Policy, applicable to all sponsorships involving the University and its Units and Faculties.</p> <p>Once the Policy is reviewed and approved by members of the Board of Governors, the Policy will be distributed to:</p> <ul style="list-style-type: none"> • All University Advancement staff members*; • All Communications and External Relations staff members*; • Key staff members in units across the University who manage sponsorships as part of their portfolios*; • Deans; • The Office of the Provost and Vice-Principal (Academic); and • The Office of the Secretary-General. <p>The new Policy will also be posted on the Secretariat website for the University community and general public.</p> <p>*training to be provided</p>
MOTION OR RESOLUTION FOR APPROVAL	<i>Be it resolved that the Board of Governors, on the recommendation of the Vice-Principal (University Advancement) and the Vice-Principal (Communications and External Relations), approve the Sponsorship Policy, as presented in Appendix A.</i>
APPENDICES	Appendix A: Proposed <i>Sponsorship Policy</i> .



DRAFT

Draft: 5 February 2020

POLICY NAME	SPONSORSHIP POLICY
Approving Body	To be filled by Secretary-General
Initial Approval Date	
Date of last review	
Date of next review	Date that the Governing Document is due for review
Executive Sponsor	Vice-Principal, Communications and External Relations and Vice-Principal University Advancement
Related Documents	<ul style="list-style-type: none"> (1) Policy on the Approval of Contracts and Designation of Signing Authority (2) Regulation on Conflict of Interest (3) Procurement Policy (4) Policy Relating to the Naming of University Assets

PART I - PURPOSE AND SCOPE

1. Purpose

- 1.1. Sponsorships provide the University with a means of creating and strengthening relationships with external communities, including the business community, and offer opportunities to diversify external revenue sources to the University.
- 1.2. Sponsorships should be managed in a consistent way, to benefit both the Sponsors and the University, to promote efficient delivery of commitments, financial management of revenues and compliance with applicable laws.
- 1.3. The University benefits from an enviable local, national and international reputation, which provides value for the Sponsor when entering into a visible relationship with the University. Any Sponsorship at the University must align with the University's brand and ensure safeguarding of its reputation.
- 1.4. This Policy establishes the rules for accepting and managing Sponsorships and governs the relationships between the University and its Sponsors. It provides a Sponsorship framework that ensures the University's brand, image, assets, and community commitments are safeguarded and policies are complied with, while increasing opportunities for corporate and community Sponsorships. It also provides distinctions between Sponsorships and charitable donations, as well as between Sponsorships and sponsored research.

2. Scope:

2.1. Definitions. In this Policy, the following terms have the following meanings:

CFT Threshold: Has the meaning ascribed at paragraph 3.6.

Due Diligence: The research concerning a potential Sponsor's operations, projects, background and reputation, that is the responsibility of the Sponsorship Lead, in order to determine whether the potential Sponsor meets the requirements set out in this Policy.

Hybrid Agreement: Has the meaning ascribed at paragraph 3.7.

Sponsor: The other party to a contract with the University for a Sponsorship.

Sponsorship: The relationship formed between the University and the Sponsor pursuant to a Sponsorship Agreement, whereby the Sponsor provides funding and/or in-kind services/benefits to the University in return for permitted association with the University. Such permitted association may take the form of publicity, promotional activities, Sponsor presence at University events, merchandising opportunities, etc.

Sponsorship Agreement: The contract between the University and the Sponsor setting out their respective rights and obligations in relation to a Sponsorship.

Sponsorship Lead: The head of the unit that is to benefit from a Sponsorship or potential Sponsorship.

2.2. This Policy applies to all forms of Sponsorship where the Sponsor (such as corporations, not-for-profit organizations and individuals) agree to contribute, either financially or in-kind, to Sponsorship opportunities at the University in return for recognition, public acknowledgement or publicity, or other promotional consideration specific to the sponsored University activity or asset, including for example:

- events
- limited-term projects or competitions
- materials and equipment
- groups (such as University teams)

2.3. This Policy does not apply to:

- 2.3.1 "Philanthropic donations", "gifts", "or "charitable donations" to the University, where (i) a gift of money or other property is irrevocably and voluntarily given to the University, without any expectation of advantage to the donor or third party designated by the donor; and (ii) any donor recognition/publicity for the donor is very limited in keeping with Canada Revenue Agency guidelines for charitable donations. (Such charitable donations are treated under the University's Gift Acceptance Policy and the Gift-in-Kind Policy.)

2.3.2 “Sponsored research” or “research contracts”, where the research concerned is under the purview of the Vice-Principal, Research and Innovation. (Such sponsored research or research contracts are treated under the University’s policies pertaining to research.)

2.3.3 Student association or student corporation sponsorships involving initiatives of such organizations. (Such organizations are legally distinct from the University and will contract for their sponsorships outside of this Policy framework.)

2.4. The University does not permit Sponsorships of academic initiatives for course credit (including without limitation, courses, course lectures, academic units and programs) nor does it permit Sponsorships (as defined herein) of research, pursuant to this Policy.

PART II – POLICY PROVISIONS

3. Principles:

- 3.1. The University is committed to the principles of academic freedom, freedom of expression, the avoidance of illegal discrimination, and institutional autonomy; the University shall not accept as a Sponsorship any transaction that would compromise any of these principles.
- 3.2. The University will not enter into any agreement with a Sponsor where the association with the Sponsor or acceptance of the Sponsorship would jeopardize the University’s financial, legal or moral integrity, adversely impact the University’s reputation in the community, or contradict the University’s values or mission.
- 3.3. The University will accept Sponsorships as an additional source of revenue generation, provided that all Sponsorships are developed and maintained in accordance with University policies, procedures and guidelines in effect from time to time, including this Policy.
- 3.4. Benefits to Sponsors shall be commensurate with the level of financial and/or in-kind support received by the University from the Sponsor.
- 3.5. Sponsorships shall generally be non-exclusive; however, limited forms of exclusivity may be granted on a case-by-case basis provided the associated risks and benefits to the University are commensurate with the exclusivity, and subject to the written approval of the head of the unit(s) affected by the exclusivity, the Vice-Principal, Communications and External Relations and the Vice-Principal, University Advancement.
- 3.6. Sponsorships must comply with procurement processes applicable to the University and must not affect the integrity of these processes. Before committing to any Sponsorship that would involve one or more in-kind contribution(s) from a Sponsor or related Sponsors, that is at a dollar threshold that would require a call for tenders (“**CFT Threshold**”) the unit concerned must consult with Procurement

Services, to ensure compliance with applicable procurement legislation and University policies and practices governing procurement.

- 3.7. Any agreement that contains both Sponsorship and procurement components (“**Hybrid Agreement**”) shall be governed by this Policy in effect from time to time (for the Sponsorship component), as well as by the University’s Procurement Policy and procurement practices in effect from time to time (for the procurement component). To the extent of any conflict in the interpretation of the two policies as they relate to a Hybrid Agreement, Procurement Services and the Office of the Vice-Principal, Communications and External Relations shall be jointly consulted.
- 3.8. The University does not endorse the materials (i.e. products, services or ideas) of any Sponsor, used in connection with the Sponsorship.

4. Responsibilities of the Sponsorship Lead

4.1 Due Diligence

- 4.1.1 The Sponsorship Lead shall conduct an appropriate Due Diligence to be reasonably assured that the potential Sponsor is of sound reputation and that the Sponsorship complies with this Policy.
- 4.1.2 The person vested with Signing Authority for the Sponsorship Agreement, pursuant to the *Policy on the Approval of Contracts and Designation of Signing Authority*, shall be satisfied that the obligation of Due Diligence, as well as all other terms and conditions of this Policy, have been fulfilled before the Sponsorship Lead may proceed in soliciting, accepting or negotiating any potential Sponsorship.
- 4.1.3 Once the obligation of Due Diligence has been fulfilled to the satisfaction of the person vested with Signing Authority, the Sponsorship Lead may enter into negotiations with the potential Sponsor, ensuring that any Sponsorship and any Sponsorship Agreement conforms with this Policy.

4.2 Conflict of Interest

- 4.2.1 The Sponsorship Lead is responsible for ensuring there is no conflict of interest or appearance of a conflict of interest created by a potential or actual Sponsorship, including without limitation and by way of example only, any conflict of interest or appearance of conflict of interest with respect to any University employee or any existing contracts, applications or other interactions between the University and the Sponsor. If the Sponsorship Lead has any concerns in this regard, these should be treated under the *Regulation on Conflict of Interest*.

4.3 *Guidelines and Professional Accreditation Rules*

4.3.1 For each Sponsorship under the Sponsorship Lead's purview, the Sponsorship Lead shall adhere to (i) guidelines accompanying this Policy, for further details with respect to the review, approval and documentation processes of Sponsorships; and (ii) applicable professional accreditation rules, if any.

4.3.2 The guidelines described in paragraph 4.3.1(i) above may be issued by the Office of Communications and External Relations from time to time.

5. **Receipts**

5.1. Sponsorships are not eligible for official donation receipts (since only charitable donations would qualify for official donation receipts), but may be eligible for business receipts (provided such business receipts do not suggest the Sponsorship is a donation).

6. **Name, Trademarks, and Other Intellectual Property**

6.1. The University may use the Sponsor's name, trademark and/or logo or other intellectual property in connection with the Sponsorship, subject to permission from the Sponsor and any limitations under applicable professional accreditation rules or sector-specific association rules and policies (e.g. policies of U Sports and RSEQ for the department of Athletics and Recreation; Canadian Marketing Association rules for advertising third party products), which shall be identified by the Sponsorship Lead concerned, as applicable.

6.2. A Sponsor shall not use the University's name, trademarks, logo or other intellectual property, except where (i) the University has expressly permitted the Sponsor one or more form of such use under the relevant Sponsorship Agreement; (ii) the Office of the Vice-Principal, Communications and External Relations has granted written permission to the Sponsorship Lead to provide for the Sponsor's specific use the University's name, trademarks, logos or other intellectual property under the relevant Sponsorship Agreement; and (iii) the Sponsor uses the University's name, trademarks, logo or other intellectual property, in compliance with relevant University policies and procedures.

7. **Termination**

7.1. No commitment to a Sponsor shall extend beyond the term agreed to between the University and the Sponsor.

7.2. The Sponsorship Agreement shall allow the University to unilaterally terminate a Sponsorship, where:

7.2.1 retention of the Sponsor would be prejudicial to the University's reputation or found to be in contradiction with the University's values or mission; or

7.2.2 there is a material breach of the parties' agreement by the Sponsor.

7.3 Any termination pursuant to this Section 7 shall be reviewed and determined by the Vice-Principal, Communications and External Relations and the benefitting unit(s) in consultation with the Vice-Principal, University Advancement and Legal Services.

7.4 In the event of termination pursuant to paragraph 7.2, the Sponsorship Agreement shall allow the University to not be required to return funds already paid by the Sponsor to the extent that:

7.4.1 activities supported by the Sponsorship have been carried out; and/or

7.4.2 funds have been spent or committed by the University in relation to the Sponsorship.

PART III – AUTHORITY TO APPROVE PROCEDURES

The Vice Principal, Communications and External Relations, and the Vice-Principal, University Advancement are vested with the authority to approve procedures as they relate to this Policy.

PART IV – REVIEW

This Policy shall be reviewed every five (5) years.