

# Memorandum

Office of the Vice-Principal Communications and External Relations  
James Administration Building  
845 Sherbrooke Street West, Room 519  
Tel: 514-398-2612

**TO:** Board of Governors

**FROM:** Mr. Louis Arsenault, Vice Principal (Communications and External Relations)

**SUBJECT:** Overview of the University's Sponsorship Framework

**DATE:** May 18, 2023

**DOCUMENT #:** GD22-88

**ACTION REQUIRED:**  INFORMATION  APPROVAL/DECISION

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**ISSUE & EXPECTED OUTCOME** An overview of the University's sponsorship framework is provided to the Board of Governors for information.

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**BACKGROUND & RATIONALE** For the information of the Board of Governors, an overview of McGill's Sponsorship Policy framework, approval guidelines and responsibilities, is presented, as well as an illustration of the Policy's application by Athletics and Recreation.

Sponsorships are important for building relationships with the broader community and for diversifying external revenue to the University. The Sponsorship Policy provides a framework of principles and 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.

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**ALIGNMENT WITH MISSION AND STRATEGIC PRIORITIES** As per the University's sponsorship framework, the University will not enter into any agreement with a Sponsor where the association with the Sponsor or acceptance of the Sponsorship would contradict the University's values or mission.

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**COMPLIANCE WITH UNIVERSITY POLICY** The University's sponsorship guidelines are established and governed by the [Sponsorship Policy](#).

The sponsorship framework also ensures compliance with the [Policy on the Approval of Contracts and Designation of Signing Authority](#), [Regulation on Conflict of Interest](#), [Procurement Policy](#) and [Policy Relating to the Naming of University Assets](#).

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**COMPLIANCE WITH LEGISLATION/** McGill's sponsorship framework ensures that sponsorships are managed in a consistent way, and in compliance with applicable laws.

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<b>EXTERNAL REGULATIONS</b>	n/a
<b>RISK FACTORS</b>	When entering into Sponsorship agreements, there is the potential for reputational risk. Our approval process and due diligence mitigates these risks.
<b>SUSTAINABILITY CONSIDERATIONS</b>	n/a
<b>IMPACT OF DECISION AND NEXT STEPS</b>	For information only.
<b>MOTION OR RESOLUTION FOR APPROVAL</b>	n/a
<b>APPENDICES</b>	Appendix A: Presentation on “Sponsorships: Processes and Guidelines”

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VP Communications and External Relations  
Athletics & Recreation  
**Sponsorships: Process and Guidelines**  
May 18, 2023



**McGill**

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# Sponsorships at McGill

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As per paragraph 2.1 of the Policy, a Sponsorship is:

“The *relationship formed* between the *University* and the *Sponsor*, 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.”

# Sponsorships at McGill

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- / McGill's Sponsorship Policy has been in place since 2020
- / VPCER has signing authority on all sponsorship contracts that do not involve a UA component

- / The Sponsorship Lead is responsible for the steps leading to the contract signing

# Sponsorship Guidelines

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/ Procedures that need to be followed when seeking and negotiating sponsorships

/ Developed by CER, UA, Procurement Services, Legal Services and Athletics and Recreation

# Who is Responsible?

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/ The ***Sponsorship Lead*** is the person responsible for: identifying the object of the sponsorship and a potential sponsor; negotiating terms; performing due diligence; and all other steps leading to the contract signing; monitoring of compliance

/ **CER** is responsible for: confirming that due diligence has been performed, assessment of potential reputational risk, and signing authority.



# Step 1:

# Prospect Coordination

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- / The Sponsorship Lead must disclose any proposed sponsorship to CER and UA for prospect coordination before approaching or entering into negotiations with a potential Sponsor.

# Step 2:

## Due diligence checklist

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- / Is the sponsor currently associated with another area in the University. If so, which?
- / Is the association with the sponsor (or its subsidiaries) likely to bring the McGill into disrepute?
- / Is there any possibility that the funding is or might be associated with illegal activities?
- / Is the association with the sponsor likely to impact negatively on any of McGill's relationships?
- / What are the likely motives of the sponsor and are they in accord with McGill's mission?

# Step 3:

# Documentation

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- / Sponsorship Agreements must be written on the standard University Sponsorship Agreement template, which contains terms and conditions approved by Legal Services, and signed by all parties.

# Step 4:

# Monitoring

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- / The Sponsorship Lead is responsible for monitoring and enforcing Sponsorship Agreements under their purview, to ensure the parties remain compliant with all terms and conditions.

# Athletics and Recreation: A case study

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# Sponsorships and Athletics

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- / Sponsorships are integral to offsetting the rising costs of operating the Athletics and Recreation Unit.
- / In the last three years, the operating costs to run recreation and varsity programs have increased significantly.
- / Over the last four years:
  - / transportation costs have increased by 54%
  - / staffing costs have risen by 17%

**Deferred maintenance costs are now over \$100 million**

# Sponsorships and Athletics

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- / Varsity programs in Canada do not attract sponsorships as easily, or of similar financial value, in comparison to the United States.
- / Only potential sponsors who line up with the University's values are pursued.
- / Signing a sponsor often requires months of work and discussions to secure the relationship.
- / Sponsorship funds are used to offset costs such as travel (bus and hotel), team meals and practice gear.
- / Benchmarking is achieved through exchanges with other Canadian Universities.
- / McGill Athletics and Recreation communications group manages the partnership for the entirety of agreement and ensures conformity and compliance.

# Jersey Sponsor:

# Café de Mercanti

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**Type of business:** coffee shop

**Location(s):** Monkland Avenue, Montreal  
Old Port

**Timeframe:** partner with McGill Athletics  
since 2022, five year contract worth  
\$15,000/year

**Sponsorship type:** team specific; Martlets  
soccer

**Branding:** Café de Mercanti logo on team  
uniforms, practice uniforms and travel gear.

**Pillar alignment:** Women in sports

**Funds support:** Athletic Financial Awards  
(five to seven annually), team travel and  
meals



# Sponsorships

## Snapshot

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/ RBC McRae Wealth Management Group  
\$15,000/year

/ Domino's Pizza  
\$11,000

/ Sport Media Inc.  
\$7,000/year

/ Sticky Media  
\$7,500/year

/ Quality Sport  
\$20,000/year

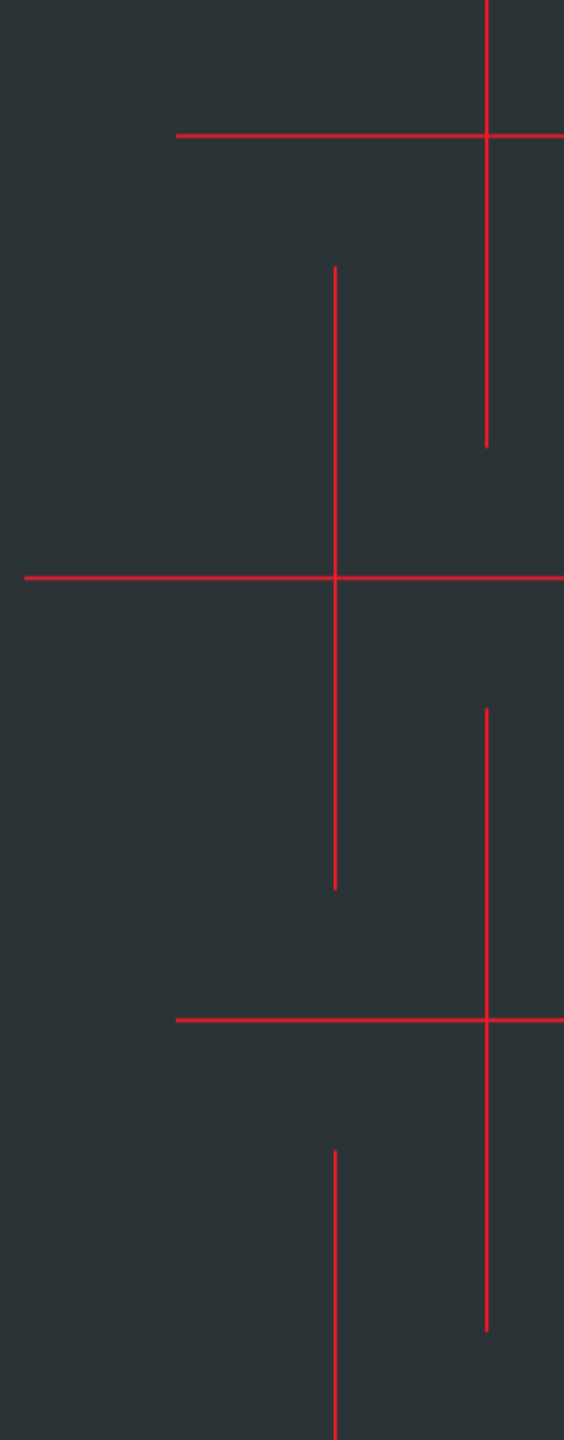
**15 current sponsors**

**Total \$190,000**



McGill

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Q & As