



## Corporate Sponsorship

### Organization Policy and Managing Guidelines

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#### Introduction

Sponsorship occurs when a business makes a donation to the Ontario Farmland Trust (OFT) and, in return, receives advertising or promotion of its brand, products or services. When a business or corporation sponsors an OFT event, project, program or other activity, and thereby receives an “advantage,” or benefit, by providing such support to OFT, a charitable tax receipt cannot be offered. Sponsorship requests and proposals are subject to this Corporate Sponsorship Policy in considering and evaluating each business opportunity.

OFT also has a Corporate Gifts and Donations Acceptance Policy, separate from this Sponsorship Policy, which prescribes terms for corporate donations and their eligibility for charitable tax receipts. And it is recognized that corporate support can also be received through a combination of sponsorship and donation, in which case split receipting can be offered – where the corporation can receive recognition and value through sponsorship benefits and given a charitable tax receipt for the commensurate value of their separate gift or donation.

#### Purpose of Policy

1. Set out the criteria and process for decision-making on sponsorships of Trust activities for use by Staff, Board of Directors and Committees.
2. Balance reputation management of the Trust with revenue generation and supporting sponsorships for achieving desired program results.

#### Policy Statement

OFT may solicit and accept sponsorships through corporations, businesses or individuals for events, programs and operations within the terms of its approved policy, principles and values. Sponsorships are deemed a desirable form of revenue diversification in support of the objects, mission and vision of OFT. OFT may consider direct, in kind, indirect and monetary sponsorships.

## Principles and Values for Sponsorships

OFT may approach a corporation or enter into a relationship with a corporation that will benefit the Trust through sponsorship to support the OFT mission and work provided that:

1. The sponsorship must be consistent with the Trust's objects, corporate vision, defined mission, strategic goals, work plans and priorities.
2. Although we place limits on our relationships with the corporate industry sectors that may constrain our efforts to protect farmland forever across Ontario, we will accept personal donations from any individual regardless of their individual role or connection within in a particular industry or business sector.
3. OFT will evaluate, on a case-by-case basis, sponsorship from corporations that have as their primary business activity:
  - researching, manufacturing or distribution of pesticides or herbicides;
  - researching, manufacturing or distribution of genetically modified seeds;
  - residential, commercial, industrial or other urban development;
  - aggregate extraction on Ontario farmland;
  - energy development e.g. hydro projects, solar panels or wind turbines that may reduce or impair Ontario farmland;
  - other scattered rural non-farm development on farmland
4. The evaluation will include an assessment of the following:
  - Is the corporation actively lobbying to change public policy that protects or impairs the protection of agriculture and farmland in Ontario?
  - Is the corporation lobbying to reduce safeguards already in place for pesticides, herbicides and/or genetically modified seeds?
  - Can the corporate support be directed to a Trust goal that is the least related to the economic activities of the corporation and ideally more related to their known community and environmental works?
  - Can the corporate support be directed to the goals of the Trust's Stewardship Fund or a Trust Fundraising Campaign or Event?
  - Is the corporation lobbying for the funding of projects that are inconsistent with OFT's vision, mission, strategic goals and work plan?
  - Can the corporate support be accepted without donor recognition?
5. Evaluation will be through the discretion of the Board of Directors or its Executive Committee under these principles and values or such other authority and guidelines as may be established by the Board of Directors from time to time.

## Decision Process

OFT Board of Directors is accountable for the Sponsorship Policy and approval of sponsorship agreements. However, good sponsorships are based on relationships. Event organizers and committees shall be free to solicit, accept and negotiate most sponsorship within the limits outlined below and report to the Board of Directors when approvals are required.

The decision process is divided into two basic categories:

**Category 1:**

Sponsorships limited to events or single program activity totalling no more than a value of \$2,500 and in full compliance with the OFT Sponsorship Policy.

The decision is delegated to the Executive Director and to the Board Chair for these routine sponsorships. A confirming letter from the OFT Executive Director or Board Chair is required.

**Category 2:**

Sponsorships of any size that will involve:

- exclusivity,
- a length of two years or more,
- an amount exceeding \$2,500 or
- any doubt about compliance with OFT policy.

The Board using its normal process for making decisions, reviews the recommendations for sponsorship and makes the final decision. Sponsorships shall be recommended to the Board by the Executive Director or Committee Chair in a written report with reasons.

A sponsorship database shall be maintained, through the Executive Director, in concert with the Event Organizers and the Committee Chairs, such that potential sponsors are identified and any conflicts avoided if several committees of OFT are working independently.

Criteria and Eligibility for Sponsorships

Only reputable individuals, and organizations whose image, product or services do not conflict with OFT's mission or values may be considered as sponsors. There is no obligation to accept every sponsorship offer. The long-term reputation and credibility of OFT as a registered charity must always take precedence over short-term monetary or project needs.

Each potential sponsorship agreement will be considered on the strength of its merits. Fair judgment and wise discretion will characterize the decision making, and the following basic questions are to be carefully assessed and considered for each proposal:

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

Ethical performance and other filters that help determine a desirable sponsor may include the environmental record of the company and other factors, such as the following:

- company's activity in relation to farmlands
- contribution to other agricultural and environmental causes
- relationship of sponsor's business to collaborating organizations
- reasonable disclosure and accountability of the sponsor's business
- human rights, protection and treatment of workers & labour relations

Research on behalf of OFT, particularly in choosing which organizations to proactively approach, will concentrate on the above areas of interest in relation to the specific opportunity.

For small sponsorships, usually linked to an event, it may not be practical to research the organization, in depth to fully know its values or its record on all the possible ethical filters. However, the organization shall be asked about most likely issues and their response documented.

A company may be rejected if the corporate representative refuses to answer a potentially relevant question. Not every question need be asked of every potential sponsor, and in many cases none of these questions will be relevant. OFT's representative shall preface any questions by noting that the organization must withstand scrutiny as a charitable organization. Questions are asked to fulfill requirements for due diligence. If a company representative is later found to have misled OFT, the agreement may be cancelled by Board decision.

Sponsorship shall be reviewed with more rigor and detail where the risks to the credibility and integrity of the OFT as a charity is higher, e.g. exclusive or multi-year agreements. In such cases, information obtained solely from the potential sponsor is rarely sufficient. It may be sufficient in combination with public information, e.g. Corporate Social Responsibility standings published in Report on Business or information in Ethical Funds Portfolios.

Where public information on the business of a corporation is not readily available, research is required. Any sponsorship question may be raised with the Board during evaluation of proposals if the Executive Director, Event Organizer or Committee Chair wishes to draw on knowledge and perspective available from Board members and other sources.

It is unfair to Trust volunteers and agents, and to the potential sponsor, to put time into an arrangement or proposal which has no reasonable hope of OFT acceptance. OFT will not continue sponsorship discussions with any organization once that organization, its parent or subsidiaries is found to be engaged in the following:

- criminal activity or unethical practices
- conflict with federal, provincial or municipal land-use regulations

Significant media coverage (from one or more credible sources) noting unethical behaviour or environmental problems is sufficient for rejection if OFT representatives deem that such concerns may cause the reputation of OFT to be harmed by association.

#### Confidentiality of Information

It could damage OFT's reputation if discussions with an inappropriate sponsor became public knowledge. In addition, OFT shall not be the source of any public information about rejected sponsorships. To reduce liability and maintain relationships in case details change in the future, all sponsorship negotiations shall be kept confidential. This privileged information will be known only to the Executive Director, Event Committee/Chair and the OFT Board.

## Scope and Duration of Sponsorships

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

**Scope:** For small events and annual operations that are supported by sponsors, only one or two sponsors are usually preferable in order that each sponsor can receive sufficient recognition. Several sponsors are often preferred for larger events and programs, unless the sponsorship is large enough to consider branding the event or program with a corporate or product name. The total amount eligible for sponsorship shall be based on the full cost of the activity, event, program or project, including all related management and administrative overhead.

## Benefits and Recognition

Operational and program sponsors shall be recognized in many ways such as the OFT web site, member communications, periodic newsletters, annual reports, 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 web site. Additional recognition such as the use of product names, banners, advertisements or special promotions shall involve the provision of additional resources to OFT. Trust shall have a framework for sponsor benefits for promotion and sponsor recognition (see Appendix B for example).

Event sponsors will be recognized only in connection with the event, e.g. advance publicity, event programs, OFT web site, news bulletins, event signage, public thanks, etc. Events with more than one sponsor may assign recognition levels depending on monetary value. This may be done by linking sponsors directly to a portion of the event, e.g. reception costs, or by identifying levels (e.g. gold, silver, bronze). OFT may establish common names and monetary ranges for sponsorship levels with defined benefits for each level. Programs and events may be named after sponsors providing 75% or more of total related costs including overhead. Such naming requires Board of Directors approval and must have time limitations.

OFT shall not become involved in a situation that requires its formal endorsement of a sponsor's product or services. OFT recognizes the general public will assume the Land Trust has researched its sponsors and decided that the company and its products represent the highest ethical standards. It must be clear in sponsorship agreements that, while OFT sincerely thanks its sponsors for their support, this does not mean that OFT will explicitly endorse the sponsor's products and services. It may be appropriate in some cases where sponsorship is being recognized, to include a disclaimer stating this understanding.

Sponsors wishing to promote OFT may use the name, logo and website URL (live-linked where possible), in accord with contract terms regarding approval of the content and wording from OFT. Unauthorized use of OFT's identity voids any contracts or agreements.

The OFT will not grant exclusivity extending beyond a single event without a full examination of the benefits to the Land Trust. Sponsors requesting exclusivity must be funding the majority of costs of a specified program or signature event including related overhead.

### Promotion of Sponsorship Availability

OFT shall develop specific promotions outlining why OFT can be a good choice for sponsorship. All promotion shall be aimed at organizations wishing to enhance their reputation by supporting a respected organization and/or wishing to reach individuals with special interests in the mission and work of OFT. This promotional material shall be added to the web site and kept current. Event organizers and committee chairs may supplement general promotion with the benefits of a specific program or event (e.g. target audience and demographics).

### Terms of Sponsorship Agreement

All sponsorship agreements shall be signed by designated OFT officers and by the sponsor's representatives. The Executive Director, Event Organizer or Committee Chair shall draft an agreement consistent with the size and scope of the sponsorship. In most cases a short letter with sign-back by the sponsor (not an agent or broker) will be sufficient.

Every agreement shall include clarity on planned use of the support, clearly defined recognition for the sponsor, the need to have any use of each other's logos approved in advance, and, where necessary, a disclaimer stating that the OFT does not endorse the sponsor's products or services. A sample agreement for a short-term sponsorship is attached as an appendix to this policy. The OFT shall develop a general template with usual terms for long-term sponsorships.

Sponsorships exceeding a single event shall be by written contract, signed by officers of the Land Trust and the corporate sponsor, with terms and conditions as follows:

- when the sponsor will provide agreed payment, or make promised in kind goods or services available within a specified range of time
- who the main contact(s) will be for each party
- requirements for any interim or final reporting
- how the agreement shall be monitored and when reviewed
- when the agreement terminates, and how any early termination is effected
- any minimum or maximum amount, and how determined, and any exclusivity terms
- how any failure to meet commitments will be handled (e.g., what happens if the event is cancelled or there is a failure to provide funds)

### Change or Exceptions to Policy

Changes in societal views and values on corporate donations and sponsorships may cause OFT to review its positive and negative filters periodically. Only the OFT Board has authority to make exceptions to policy and this document will be refreshed on a two year review cycle.

**Appendix A: Sample Contract Letter for Short Term Sponsorships**

(date)  
(sponsor contact)  
(sponsor company name and address)

Dear (sponsor contact):

I am pleased to confirm that (sponsor organization) and the Ontario Farmland Trust (OFT) will be collaborating in your sponsorship of the (event/program).

Thank you for helping to sponsor this activity by providing (\$\_\_\_\_\_ and/or specific in-kind contribution) by (timing for contribution). Your participation will help to ensure our success. Your support will be recognized by (signage, program etc. as agreed in writing with the event organizer and/or committee chair). If for any reason the (event/program) does not take place as planned, you will be contacted to discuss alternate plans.

Please continue to discuss any details with (name of event organizer/committee chair) at ( ). Let us know if you cease to be the main contact at your company. We are available if you wish to discuss our OFT mission and programs or other sponsorship opportunities.

Please confirm that you will not in any way imply that OFT has endorsed your products or services, and that you will seek advance approval for any use of the OFT logo, such as on your web site. The OFT will do the same with respect to any use of your identity.

Welcome to the family of OFT sponsors. I hope your involvement now is the start of a long and mutually beneficial and rewarding relationship for all of us.

After signing below, please send the agreement to our OFT Executive Director at ( ).

Sincerely,

(names)

Chair, Ontario Farmland Trust and/or  
Executive Director, Ontario Farmland Trust

\_\_\_\_\_  
(signatures)

\_\_\_\_\_

(name of sponsoring organization)

(signatures of representatives)

(date of agreement)

Appendix B: Sample Benefits Grid for Sponsorship Recognition Levels

Benefits (for one year term or duration of event as articulated unless otherwise noted)	Platinum Sponsor	Gold	Silver	Bronze	Corporate Supporter
	\$20,000 or more	\$10,000- \$19,999	\$5,000- \$9,999	\$1,000- \$4,999	\$100- \$999
Recognition in newsletter	2 years	x	x	x	x
Recognition in annual report	2 years	x	x	x	
Recognition at AGM	2 years	x	x	x	
Receive copy of newsletter	2 years	x	x	x	x
Receive copy of annual report	2 years	x	x	x	
Business receipt if requested	x	x	x		
Custom made recognition plaque	x	x	x		
Profile and photograph in newsletter	x	x	x		
Media release indicating support	x	x	x		
Name and logo recognition on Trust signage	x	x	x		
Use of Trust logo naming level of support	x	x	x		
Display at special events subject to availability	x	x	x		
Sponsor banner	x	x	x	x	



displayed at event					
Sponsor name announced at event	x	x	x	x	
Sponsor banner or logo displayed on podium	x	x	x		
Sponsor logo on organization's website	2 years	x			
Hotlink to sponsor on Trust website	2 years	x			
Consideration for Exclusivity	x				