



SPONSORSHIP POLICY

City of Foster City/Estero Municipal Improvement District

1.0 PURPOSE

- 1.01 This policy provides a framework for the generation of revenue to the City of Foster City/Estero Municipal Improvement District through Sponsorships that provide a reciprocal benefit in the form of structured recognition that are consistent with City Council/District Board direction, existing City/District policies and procedures and applicable laws.
- 1.02 This policy is not intended to provide guidance for soliciting and handling Donations that do not provide a reciprocal benefit in the form of structured recognition. Donations are addressed in a separate Donation Policy.

2.0 DEFINITIONS

- 2.01 Fundraising: Any activity conducted with the intent of generating funds from sources outside of the City/District for the City/District or a particular Department, program or activity of the City/District. Fundraising activities may include, but are not limited to endowment programs, program adoption or pledge drives, and/or contacting individuals, companies, foundations, or other entities with the primary purpose of seeking financial support for the City/District in the form of Donations or Sponsorships.
- 2.02 Fundraising Plans: Written documents approved by the City Council/District Board that specify activities for which Donations or Sponsorships may be sought, the type of Sponsor recognition that may be granted for different types of Sponsorships and for different Sponsorship amounts and the conditions for acceptance of funds.
- 2.03 In-Kind Contributions: A contribution other than cash or real property, which would serve a useful purpose in the provision of City/District services. Examples of In-Kind Contributions may include equipment, materials, or services.
- 2.04 Sponsor: An organization or individual who provides a funding or In-Kind Contribution to the City/District or to a particular Department, program or activity of the City/District, with the expectation of a reciprocal benefit in the form of structured recognition.
- 2.05 Sponsorship: A Sponsor's Contribution to a particular event, activity, program or facility, with expectation of a structured recognition of the Sponsor by the City/District for the Contribution.

- 2.06 Sponsorship Agreement: A written agreement between the City/District and an organization or individual whereby the organization or individual agrees to provide a Contribution to the City/District in exchange for recognition rights related to specific, identified City/District initiatives. A Sponsorship Agreement may permit a limited form of promotional opportunity as listed in section 8.03, in exchange for the Contribution provided to the City/District, subject to the terms of this Policy.

3.0 GENERAL PROVISIONS

- 3.01 All Sponsorships must be for a purpose directly related to providing goods or services to the public or for another valid public purpose, and may not be used for personal financial gain of any City/District employee, elected, or appointed official.
- 3.02 Sponsors shall not expect, nor shall the City/District grant, any extra consideration beyond that which is detailed in the Sponsorship Agreement in relation to City/District procurement, regulatory activities, or any other business, services and operations of the City/District.
- 3.03 No action shall be taken which actually does or gives the appearance that persons or entities that do not provide Sponsorships are treated less favorably or are at a competitive disadvantage in conducting their business with the City/District than those who do provide Sponsorships.
- 3.04 City Council/District Board members and appointed City/District officials are responsible for reporting Fundraising activities as required by applicable laws and regulations.

4.0 SPONSORSHIP SOLICITATION

- 4.01 Members of the City Council/District Board and Planning Commission shall not solicit Sponsorships from the public on behalf of the City/District for the City/District, or any department, program or activity of the City/District.
- 4.02 City/District employees working in an enforcement or regulatory position shall not solicit Sponsorships from the public on behalf of the City/District for the City/District, or any department, program or activity of the City/District.
- 4.03 Before any Sponsorship Opportunity is offered, the opportunity shall be detailed in a Fundraising Plan that is approved by the City Council/District Board. Thereafter, the plan shall be implemented under the direct supervision of the Department Director and the general direction of the City/District Manager.
- 4.04 Staff designated to oversee Fundraising activities shall ensure that the terms of any Fundraising Plan and its provision for structured recognition are consistent with applicable laws and City/District ordinances, plans and policies. These could include, but are not limited to, Municipal Code Section 12.04.030, Fair Political Practices Commission requirements, and City/District procurement requirements. Staff is encouraged to consult with the City/District Attorney in the preparation of Fundraising Plans and materials if there are any potential conflicts with applicable law.

5.0 SPONSOR SELECTION

- 5.01 No political campaign or candidate for elective office shall be approved as a sponsor.
- 5.02 No individual or organization that owes an outstanding balance of any amount to the City of Foster City or Estero Municipal Improvement District shall be approved as a sponsor.
- 5.03 If multiple Sponsors desire to participate in a limited opportunity, the City Council/District Board shall select Sponsor(s) providing the greatest benefit to the City/District, and in consideration of the quality of product or service to be received by the City/District.
- 5.04 Sponsors may appeal decisions made in the implementation of this policy by City/District Staff to the City Council/District Board whose decision shall be final.
- 5.05 The Sponsor selection process shall be impartial, and compatible with other City/District Sponsorship relationships.

6.0 SPONSORSHIP AGREEMENTS

- 6.01 With prior City Council/District Board approval of a Fundraising Plan and after the selection of any Sponsor is complete, the respective obligations of the Sponsor and the City/District shall be set forth in a written agreement. Sponsorship agreements are required of all Sponsors. Agreements must be signed and payments made in advance of the event to which they relate.
- 6.02 The City/District Manager shall approve Sponsorship Agreements with a value not to exceed \$30,000.
- 6.03 The City Council/District Board shall approve Sponsorship Agreements with a value exceeding \$30,000.
- 6.04 The City Council/District Board shall approve any donation or sponsorship by elected or appointed officials or City/District employees (as an individual or on behalf of their business).
- 6.05 Only Sponsorship revenue that has been formalized in a written agreement may be included in budget revenue forecasts unless specifically authorized by the City Council/District Board.

7.0 FUNDRAISING GUIDELINES

- 7.01 Upon approval of the City Council/District Board, Sponsorships may be sought on behalf of the City/District. Sponsorships may not be sought by members of the City Council/District Board or Planning Commission.
- 7.02 Sponsorships shall not be requested under the guise, pretense, or presumption of receiving official City/District endorsement of the contributing party, product or activities.

- 7.03 City staff and Advisory Committee members may only approach potential Sponsors pursuant to an approved Fundraising Plan approved by the City Council/District Board, and only if the Sponsorship is directly related to providing a good or service to the public.
- 7.04 Fundraising Plans shall specify the type of Sponsor recognition to be granted for different types of Contributions and for different Contribution amounts, the conditions for acceptance of funds, which conditions shall be fair, impartial and shall not discriminate on the basis of race, color, age, ancestry, religion, national origin, pregnancy and perceived pregnancy, sex/gender, military status, sexual orientation, genetic information/characteristics, marital status, medical condition (including cancer or record or history of cancer or AIDS/HIV status, or mental or physical disability of the proposed Sponsor. The City Council/District Board shall review and approve Fundraising Plans.
- 7.05 City/District employees working in an enforcement or regulatory position shall not solicit Sponsorships from the public on behalf of the City/District for the City/District, or any department, program or activity of the City/District.
- 7.06 Any person permitted under this policy to solicit Sponsorships shall maintain the highest standard of ethics in soliciting Sponsorships. No employee or appointed official shall engage in Fundraising activities where they or their spouse, registered domestic partner or immediate family members have a conflict of interest, or the appearance of a conflict of interest would arise from their involvement in the activities.

8.0 SPONSORSHIP RECOGNITION

- 8.01 Sponsor recognition must be consistent with the Municipal Code and other laws and regulations, and with the guidelines in this policy. Sponsorships and Sponsor recognition may not be comprised of obscene or pornographic material. The City/District reserves the exclusive right to approve or deny any request for Sponsorship from any prospective Sponsor.
- 8.02 No benefit will be provided to a prospective sponsor until a Sponsorship Agreement has been executed and payment in full has been received.
- 8.03 The following are acceptable forms of Sponsor recognition:
 - 8.03.01 Placement of logos and/or company names in signage and publicity, including press releases and materials posted on the FCTV bulletin board and/or websites maintained by the City/District.
 - 8.03.02 Plaques / Memorials affixed on a donated item, on a Sponsorship wall, on a paving stone or memorial bench.
 - 8.03.03 Named Endowments on a legacy that funds itself in perpetuity, like a camp scholarship.
 - 8.03.04 Public recognition and thanking of Sponsors by the City Council/District Board or City Staff at public meetings or events.

- 8.03.05 Other acknowledgements, public or private, approved by the City Council/District Board.
- 8.04 The following forms of recognition are not acceptable:
 - 8.04.01 Naming rights to a City/District facility (disallowed under Municipal Code Section 12.04.030).
 - 8.04.02 Publicity or "Air Time" given to the sponsor to promote themselves, their services/products or their views/opinions at a City Council/District Board meeting, press conference, public event or on-air, including broadcasting on FCTV, "Guest MC" at concerts, festivals and events, etc.
- 8.05 The City/District will provide the Sponsor with a letter of acknowledgement and a statement of the City/District's intended use in accordance with IRS regulations. If the Sponsor conveys funds through an Electronic Payment Provider, the electronic receipt from the Provider will serve as the required letter of acknowledgement. The tax deductibility of any Sponsorship is the exclusive responsibility of the Contributor.
- 8.06 Sponsorships shall be acknowledged in a timely manner after formal acceptance of the Sponsorship has taken place and in accordance with IRS regulations.

9.0 IN-KIND SPONSORSHIPS

- 9.01 In-Kind Contributions may be accepted as Sponsorships under the following conditions:
 - 9.01.01 In-Kind Contributions are allowed in the Fundraising Plan.
 - 9.01.02 The Department has obtained reasonable documentation of the value of the contribution and has ensured that the level of contribution and recognition is equitable with similarly situated Sponsors.
 - 9.01.03 The In-Kind Contribution is used for the program, event or activity for which Sponsorships are being sought (e.g., contribution of ad space for an activity where the contribution will be acknowledged).
 - 9.01.04 For all reporting purposes, the cash value of the In-Kind Contribution is used.
- 9.02 If a Contribution of personal property or of a service does not result in the City/District receiving the indemnification, insurance, bonding or warranties that it would normally receive through procurement of the personal property or service, the absence of those factors, and the potential costs and liabilities associated therewith shall be considered in determining whether to accept the In-Kind Contribution.
- 9.03 Any proposed In-Kind Contribution that, if accepted, would obligate the City/District to enter into a service or procurement agreement shall not be accepted as a contribution and shall be subject to the City/District procurement process.

- 9.04 Any Department considering acceptance of an In-Kind Contribution shall consult with other Departments that could be affected by acceptance of the Contribution. For example, if other Departments may incur costs to provide management, support, maintenance, and repair or enforcement activity of In-Kind Contribution.
- 9.05 In-Kind Contributions must be safe and durable, and meet any applicable City/District design or quality specifications, standards, and policies.
- 9.06 The City/District accepts In-Kind Contributions of materials with the understanding that such items have a useful life, and that the City/District assumes no responsibility for replacement or upkeep. Once a Contribution is accepted, it becomes City/District property and may be maintained, replaced or disposed as the City/District deems appropriate, subject to any Contributor restrictions.

10.0 AUTHORITY TO ACCEPT SPONSORSHIPS

- 10.01 The City Council/District Board's approval of a Fundraising Plan will serve as approval of Sponsorships not to exceed \$30,000.
- 10.02 The City Council/District Board must approve all Sponsorships with a value exceeding \$30,000.
- 10.03 The City/District may accept Sponsorships that enhance services or reduce costs that the City/District would incur in the absence of their acceptance, or that otherwise provide a significant enhancement to the City/District.
 - 10.03.01 Sponsorships may offset existing costs, but may not be relied upon within the annual budget to support staffing of on-going operations.
 - 10.03.02 Sponsorships may not be used to implement new on-going programs or services unless a permanent source of revenue is identified to support the program or services.
- 10.04 All cash Sponsorships received by check, cash, wire transfer or electronic payment shall be deposited in the Foster City Foundation Fund. The Sponsor's intent for use of the funds shall be established and recorded in subaccounts that reflect the intent of the funders (e.g., Special Events, Memorial Bench).
- 10.05 The Finance Director or designee shall comply with the IRS regulations for issuance of receipts for tax purposes to Sponsors that meet or exceed the IRS-defined annual Contribution amount. Contributions to the City/District less than the IRS-defined annual Contribution amount will be acknowledged at the discretion of the City/District Manager or designee.
- 10.06 The Department Director is responsible to ensure that Sponsors receive the structured recognition documented in the Sponsorship Agreement and to maintain proof of said structured recognition for the time period required by the City's Records Retention Policy.

11.0 USE OF SPONSORSHIPS

- 11.01 Sponsorships shall be used in the manner and for the program(s) or activity(ies) described in the Sponsorship Agreement.
- 11.02 The City Council/District Board as Trustees of the City/District Foundation shall approve any expenditure of City/District Foundation Funds exceeding \$30,000 in compliance with the City's purchasing ordinance and administrative policy.
- 11.03 The City Council/District Board as Trustees of the City/District Foundation delegates authority to the City/District Manager to approve any expenditure of City/District Foundation Funds not to exceed \$30,000. The City/District Manager may delegate authority to approve expenditures under \$1,000 related to the administration of the Memorial Bench and Veterans Wall programs.

12.0 ACCOUNTING AND RECORD KEEPING

- 12.01 The City/District shall maintain records that provide an audit trail for the receipt of all Sponsorships and shall comply with all reporting requirements and regulations including, but not limited to, FPPC Regulation 18944.2 Gifts to an Agency.
- 12.02 All Sponsorships shall be recorded and maintained for at least the expected life of the item or service, or for a specific time frame that has been established.
- 12.03 Monetary Sponsorships of any amount may be paid by check payable to the City of Foster City. Sponsorships not to exceed \$30,000 may be paid through Electronic Payment Providers through accounts set up for that purpose. If Electronic Payment options are made available, it shall be indicated, in a way that is evident to Sponsors, that a portion of the Sponsorship will be retained by the Electronic Payment Provider as its fee. Sponsorships exceeding \$30,000 may be made by check or may be made by wire transfer based upon the City Council/District Board's approval of the Sponsorship Agreement prior to the transfer. Acceptance of cash will only be allowed if approved in advance by the Finance Director.
- 12.04 A record of all open Sponsorships including name, type, contact name if a company, amount, and disposition of Sponsorship (future payments due) shall be kept up-to-date and accurate by both the receiving Department and the Finance Department.
- 12.05 Within ninety (90) days after the end of the fiscal year, the Finance Director shall issue to the City Council/District Board an annual report summarizing the financial activity (e.g., contributions received, expenditures made, current balances, etc.) of the Foster City Foundation Fund for that fiscal year. This report may contain a report of In- Kind Contributions as well.
- 12.06 The City Council/District Board shall review the results of the current year's Fundraising on an annual basis as outlined in Section 12.05. At that time, it shall provide direction as to which City/District programs, activities, or services shall be supported in whole or in part by Fundraised revenue in the next fiscal year.

RESOLUTION NO. 2022-4

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOSTER CITY AMENDING THE DONATION POLICY AND SPONSORSHIP POLICY

CITY OF FOSTER CITY

WHEREAS, the City Council adopted a Fundraising Policy on January 18, 2011 and updated that policy on October 1, 2012; and

WHEREAS, the City Council commissioned a review of its Sponsorship Program and has received recommendations for “best practices” to be included in the Fundraising Policy; and

WHEREAS, one of those recommendations was to bifurcate the Donation Policy from the Sponsorship Policy in order to provide clearer and more nuanced guidance for these very different types of fundraising activities; and

WHEREAS, the City Council rescinded all previously approved Fundraising Policies and adopted a new Donation Policy and Sponsorship Policy on November 16, 2020; and

WHEREAS, Staff now recommends updates to the Donation Policy and Sponsorship Policy as follows:

Donation Policy

- Amend Section 2.01 to read: *Donation: A contribution to the City/District that is made without expectation of a reciprocal benefit or structured recognition. Nothing in this policy shall preclude the verbal thanking of donors by name at a gathering or event to which donated funds have been contributed. Donations may be restricted or unrestricted by the Donor. Donations may be solicited or unsolicited.*
- Amend Section 7.03 to read: *The City Council/District Board as Trustees of the City/District Foundation delegates authority to the City/District Manager to approve any expenditure of City/District Foundation Funds not to exceed \$30,000. The City/District Manager may delegate authority to approve expenditures under \$1,000 related to the administration of the Memorial Bench and Veterans Wall programs*

Sponsorship Policy

- Amend Section 4.03 to read: *Before any Sponsorship Opportunity is offered, the opportunity shall be detailed in a Fundraising Plan that is approved by the City Council/District Board. At that time, the City Council/District Board shall provide direction as to which City/District programs, activities, or services shall be supported in whole or in part by Fundraised revenue. Thereafter, the plan shall be implemented under the direct supervision of the Department Director and the general direction of the City/District Manager.*

City Resolution No. 2022-4

- Addition of Section 5.02: *No individual or organization that owes an outstanding sponsorship balance of any amount to the City of Foster City or Estero Municipal Improvement District shall be approved as a sponsor.*
- Amend Section 11.03 to read: *The City Council/District Board as Trustees of the City/District Foundation delegates authority to the City/District Manager to approve any expenditure of City/District Foundation Funds not to exceed \$30,000. The City/District Manager may delegate authority to approve expenditures under \$1,000 related to the administration of the Memorial Bench and Veterans Wall programs.*
- Amend Section 12.05 to remove reference to Section 5.11
- Eliminate Section 12.06

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Foster City does hereby amend the Donation Policy and Sponsorship Policy.

PASSED AND ADOPTED as a resolution of the City Council of the City of Foster City at the regular meeting held on the 18th day of January, 2022, by the following vote:

AYES: Councilmembers Gehani, Hindi, Sullivan, and Mayor Awasthi

NOES: None

ABSENT: Councilmember Froomin

ABSTAIN: None

DocuSigned by:

Richa Awasthi

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RICHA AWASTHI, MAYOR

ATTEST:

DocuSigned by:

Priscilla Schaus

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PRISCILLA SCHAUS, CITY CLERK

RESOLUTION NO. 3629

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ESTERO MUNICIPAL IMPROVEMENT DISTRICT AMENDING THE DONATION POLICY AND SPONSORSHIP POLICY

ESTERO MUNICIPAL IMPROVEMENT DISTRICT

WHEREAS, the EMID Board of Directors originally adopted a Fundraising Policy by District Resolution 3123; and

WHEREAS, the EMID Board of Directors commissioned a review of its Sponsorship Program and has received recommendations for “best practices” to be added to the Fundraising Policy; and

WHEREAS, one of those recommendations was to bifurcate the Donation Policy from the Sponsorship Policy in order to provide clearer and more nuanced guidance for these very different types of fundraising activities; and

WHEREAS, the EMID Board of Directors rescinded all previously approved Fundraising Policies and adopted a new Donation Policy and Sponsorship Policy on November 16, 2020; and

WHEREAS, staff now recommends updates to the Donation Policy and Sponsorship Policy as follows:

Donation Policy

- Amend Section 2.01 to read: *Donation: A contribution to the City/District that is made without expectation of a reciprocal benefit or structured recognition. Nothing in this policy shall preclude the verbal thanking of donors by name at a gathering or event to which donated funds have been contributed. Donations may be restricted or unrestricted by the Donor. Donations may be solicited or unsolicited.*
- Amend Section 7.03 to read: *The City Council/District Board as Trustees of the City/District Foundation delegates authority to the City/District Manager to approve any expenditure of City/District Foundation Funds not to exceed \$30,000. The City/District Manager may delegate authority to approve expenditures under \$1,000 related to the administration of the Memorial Bench and Veterans Wall programs.*

Sponsorship Policy

- Amend Section 4.03 to read: *Before any Sponsorship Opportunity is offered, the opportunity shall be detailed in a Fundraising Plan that is approved by the City Council/District Board. At that time, the City Council/District Board shall provide direction as to which City/District programs, activities, or services shall be supported in whole or in part by Fundraised revenue. Thereafter, the plan shall be implemented under the direct supervision of the Department Director and the general direction of the City/District Manager.*

- Addition of Section 5.02: *No individual or organization that owes an outstanding sponsorship balance of any amount to the City of Foster City or Estero Municipal Improvement District shall be approved as a sponsor.*
- Amend Section 11.03 to read: *The City Council/District Board as Trustees of the City/District Foundation delegates authority to the City/District Manager to approve any expenditure of City/District Foundation Funds not to exceed \$30,000. The City/District Manager may delegate authority to approve expenditures under \$1,000 related to the administration of the Memorial Bench and Veterans Wall programs.*
- Amend Section 12.05 to remove reference to Section 5.11
- Eliminate Section 12.06

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Estero Municipal Improvement District does hereby amend the Donation Policy and Sponsorship Policy.

PASSED AND ADOPTED as a resolution of the Board of Directors of the Estero Municipal Improvement District at the regular meeting held on the 18th day of January, 2022, by the following vote:

AYES: Directors Gehani, Hindi, Sullivan, and President Awasthi

NOES: None

ABSENT: Director Froomin

ABSTAIN: None

DocuSigned by:

Richa Awasthi

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RICHA AWASTHI, PRESIDENT

ATTEST:

DocuSigned by:

Priscilla Schaus

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PRISCILLA SCHAUS, DISTRICT SECRETARY