

Rotary Club of Livermore

Revision Number: 1

Revision Date: 19 March 2019

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32. Financial Sponsorship Guidelines

I. Definition of Sponsorship.

- A. There are many definitions of ‘Sponsorship’. For the purpose of this policy, the Rotary Club of Livermore has defined sponsorship to mean:
 - 1. Sponsorship is a commercial arrangement in which a sponsor provides a contribution in money or in-kind to support an activity in return for certain specified benefits.
 - 2. Sponsorship can be provided by the corporate sector or private individuals, in support of a Rotary sponsored activity.
 - 3. Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement.
- B. Sponsorship arrangements are based on a relationship which involves a distinct two-way flow of benefits; i.e. The Rotary Club of Livermore receives a cash or in-kind contribution in return for providing an agreed upon suite of benefits.

II. Sponsorship Principles

- A. Sponsorship programs and/or activities should support the Rotary Club of Livermore community engagement.
- B. Sponsorships should be reported on in accordance with normal financial reporting procedures.
- C. Sponsor benefits should be commensurate with the level of sponsorship.
 - 1. The overall sponsor benefits will be established by a committee and require approval of the Board.
 - 2. Any goods and/or services which are provided as part of a sponsorship agreement are to be valued at the retail cost of purchase and are treated as in-kind. .
- D. No member of the Rotary Club of Livermore is to receive a personal benefit from a sponsorship.
- E. Sponsorship agreements must not expose the Rotary Club of Livermore to any financial, legal or other risks that are disproportionate to the nature and extent of the sponsorship.
- F. Strategies will be set that enable sponsor solicitation that pairs sponsors with the Rotary Club of Livermore - specific events and fundraisers.

III. Written Sponsor Agreements

- A. All sponsorship agreements must be in writing, including financial and other commitments, time frame, and, cancellation procedures. The sponsor agreement shall include:
 - a) Club activity responsible for managing the arrangement.
 - b) Name of Club contact.
 - c) Name of sponsoring business/organization.
 - d) Value of sponsorships in financial terms for both monetary and in-kind contributions.
 - e) Sponsor’s contact details.

- f) Key contractual arrangements, including but not limited to, main benefits to the sponsor and the Rotary Club of Livermore, duration of arrangement, any exclusivity and other significant arrangements.
- B. Copies of agreements shall be filed with the Club secretary and retained for the legally required period of time, and a copy sent to the sponsor.
- C. Any agreement over \$1000 must be signed by the Sponsor and the Club President. Agreements below that value may be signed by the Treasurer and the Sponsor.
- D. All sponsorship agreements must be reviewed by the Finance Committee and brought to the Board for approval.

IV. Finance

- A. All monies, goods and/or services received by the Rotary Club of Livermore from sponsorship activities must be treated in accordance with the Club Treasurer's direction and the Board.
- B. Revenue obtained from sponsorship arrangements can be either cash or provided as budget relief (i.e. wholesale vs. retail pricing).
- C. Goods and/or services which are included in a sponsorship agreement as either budget relief or in-kind are to be valued at the retail cost of purchase.
- D. The Board must ensure that all agreements meet the standards set out by this policy.

V. Monitoring and Evaluation

- A. The Finance Committee will review this policy and report to the Board on its implementation and effectiveness for the first three years of implementation. The policy will be reviewed thereafter on a routine basis along with other Rotary Club of Livermore financial policies.
- B. The annual review will focus on sponsorships and gather information about sponsored activities that have a value of \$500 or more including in-kind contributions. The review will collect information as described in Section III; A (a) - (f) above.