



Sponsorship Policy

I. Authority

The Fort Worth City Council is responsible for legislation, policy formulation, and setting the overall direction of government. This includes the approval of financial policies which establish and direct the operations of the City of Fort Worth (“City”). The City Manager is responsible for carrying out the policy directives of the City Council and managing the day-to-day operations of the executive departments, including the Financial Management Services Department (“FMS”). This policy shall be administered on behalf of the City Manager by the Chief Financial Officer/Director of FMS (“CFO”).

II. Purpose

This policy defines and provides the guiding principles with respect to the financial management of sponsorships requested of the City of Fort Worth (“the City”). The objectives of this policy are to ensure consistent practices regarding payments made to support local festivals, special events, community projects or programs, and other similar activities that are not controlled or hosted by the City. Controls are created to establish, maintain, and enforce a sound system of operational procedures in accordance with industry best practices and internal control objectives.

III. Applicability and Scope

All employees of the City, including uniformed employees in positions who are responsible for performing fiscal operations described herein, shall apply the principles of this policy. Further, this policy shall cover all funds under the control of the Mayor and City Council.

IV. Glossary

- Sponsorship: When the City decides to donate cash to an event or program hosted by a third party.

See definitions related to this policy provided in the Glossary for Financial Management Policies for other defined terms.

V. General Information

Article III, Section 52 of the Texas Constitution prohibits the legislature from authorizing political subdivisions to lend their credit or to grant public money. As a general rule, this means that a City is prohibited from making a donation or gift using public funds. However, if the City determines that a particular expenditure accomplishes a valid public purpose, and despite the fact that one or more individuals or corporations might incidentally benefit, the expenditure will still be valid. The key question is whether a valid public purpose is



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being directly accomplished by the expenditure. *City of Corpus Christi v. Bayfront Assoc. Ltd.*, 814 S.W.2d 98 (Tex. App. – Corpus Christi 1991, writ den.).

However, there is no precise definition as to what constitutes a public purpose other than to state that, if an object is beneficial to the inhabitants and directly connected with the local government, it could be considered a public purpose. *Davis v. City of Taylor*, 67 S.W.2d 1033, 1034 (Tex. 1934).

In order for a donation or gift of public funds to be lawful, the City Council must (1) make the determination of whether a certain expenditure meets the public purpose test, and (2) also ensure that sufficient controls are placed on the transaction to ensure that the public purpose will be carried out. The City Council's determination is subject to judicial review.

Council's approval of this policy is the City Council's findings of the noted public purpose for the items listed below and requires certain controls for each activity to ensure that the public purpose is carried out.

VI. Responsibility / Authority

City-wide Department responsibilities:

- A. Department Directors must ensure that each Sponsorship paid by their department conforms with this policy.
- B. City Officials must ensure that each Sponsorship paid by their staff conforms with this policy.
- C. City personnel must retain documentation sufficient to show compliance with this policy.
- D. In the event that a Department or City Official is unsure whether a Sponsorship is approved through this policy or must be separately approved by the City Council, the Department or City Official should consult with the City Attorney's Office for guidance.

VII. Policy

- A. A Sponsorship is approved if it qualifies under subsection (B), (C), or (D) of this Section VII and funding is available in the department's or official's previously approved budget.



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B. Approved Sponsorships (No Further Council or City Manager Approval):

The City Council finds that Sponsorships in the following categories serve the public purpose of furthering City objectives and goals and that adequate controls are in place, provided that this policy is followed:

- i. Sponsorships on the Approved List of City Sponsorships, which shall be created and maintained by the City Manager.
- ii. Sponsorships that meet all of the following Criteria:
 - The Sponsorship aligns with the City's core values and enhances the local and regional communities with a specific focus in the following areas:
 - o Quality of Life
 - o Education
 - o Arts
 - o Economic Development
 - o Programs that provide direct development and improvement to underserved communities
 - The Sponsorship is related to the typical business or work of the sponsoring City Department;
 - The event is held by an organization based in the United States, has at least one year of documented operating history, and is a governmental entity or is verifiable through the Internal Revenue Service (IRS) as a tax-exempt organization;
 - The organization hosting the event must directly impact the City of Fort Worth or the greater Dallas/Fort Worth region;
 - The event conforms to all applicable laws, ordinances, or other regulations;
 - The event is not held to promote a political position or figure;
 - The event is not held to promote a religious message or belief. Providing secular community service programs, such as soup kitchens, shelters for the homeless, job banks, etc., are eligible even though sponsored by



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religious organizations if the broader public is served and services are not limited to members of the same religion;

- The organizer includes the City logo on all materials showing event sponsors, if the sponsorship purchased includes acknowledgement of the sponsoring entity;
- The amount of the Sponsorship is \$5,000 or less; and
- The organization does not meet any of the following criteria:
 - Operates or supports activities counter to the policies of the City of Fort Worth;
 - Is a social, labor union, alumni, or trade association, fraternal or political organization (including candidates, causes, and campaigns), or organization (civic leagues, business leagues) that serves a limited constituency that is unrelated to a legitimate purpose that aligns with a City goal or value;
 - Is an organization or team raising funds on behalf of another benefiting group (e.g., walk-a-thons, contests, pageants, ambassador programs, scholarships, etc.);
 - Is an organization that is actively engaged in highly controversial issues or that use controversial tactics to advocate their position;
 - Publications, films, television programs, or social media production, but this shall not exclude placing advertisements in periodicals;

iii. For Sponsorships made pursuant to VII(B)(i) or VII(B)(ii), departments must comply with Section VII(E)(ii).

C. Sponsorships that Require Approval from the City Manager's Office – Departments Only

i. In the event that a Sponsorship does not meet the criteria in VII(B), the department must receive approval to move forward with the Sponsorship from their assigned Assistant City Manager or the City Manager. Departments should retain documentation showing compliance with this section. This section does not apply to City Officials.



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ii. If the Assistant City Manager or the City Manager approves the sponsorship, the department must determine whether separate City Council approval is required.

- a. Separate City Council approval is not required for the purchase of tickets for city personnel and/or for tables at functions, regardless of the cumulative amount donated by the City for individual tickets and/or for a table that are approved under this subsection.
- b. Any other sponsorship will require City Council approval pursuant to VII(D).

D. Sponsorships that Require Separate City Council Review and Approval

All Sponsorships that do not meet the criteria listed above in VII(B) or VII(C) must be submitted to the City Council for approval prior to payment being made. Approval may take up to one month; so advanced notice of Sponsorships is highly encouraged to ensure adequate time to seek the necessary authorizations. The City Council must find (1) a public purpose and (2) that adequate controls are in place in order for a Sponsorship to be funded, and such findings must be made before the Sponsorship payment is made.

E. Application Process

i. Requests should be submitted to the Department Director, Assistant City Manager, City Manager, or City Official via letter or email on organizational letterhead at least 30 days in advance of the event. The letter shall include, at a minimum, details of the type, nature, and beneficial impact of the request along with relevant City acknowledgments, desired key leadership participation, and other elements crucial to the review process.

ii. The City representative that received the request shall review the request and this policy. If the Sponsorship is authorized under VII(B), the City representative shall, in order to ensure that multiple sponsorships are not unintentionally made to the same event, email CFW_DepartmentHeads@fortworthtexas.gov and Assistant_Directors@fortworthtexas.gov and include the following information (1) the department making the sponsorship, (2) the organization hosting the event, (3) the name, date, and time of the event, (4) the sponsorship being provided, and (5)



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in the event a table or seats are being purchased, who will be attending the event. Departments should coordinate to maximize the impact of the sponsorship and ensure there is no waste.

iii. In the event the City representative is unsure whether the Sponsorship requires separate City Council approval, the representative shall receive a determination from the City Manager or Assistant City Manager on any necessary City Council approval. The City Attorney's Office, if so requested by the City Manager or Assistant City Manager, shall provide advice to the City Manager or Assistant City Manager on whether the Sponsorship requires City Council approval. In no event can a Sponsorship be paid without City Council approval, either separately or under this policy.

F. Unapproved Sponsorships

Any payments to organizations that do not comply with this policy or that do not have prior City Council approval are unapproved and will be required to be reimbursed by the City personnel or City Official that approved the Sponsorship.

For additional information or questions concerning this policy, please contact the FMS- Purchasing at (817) 392-2462.