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GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES
DIRECTOR

December 12, 2007

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

SUBJECT: Adoption of Department Policy Governing Private-Sector Partnerships
and Donations - FOR INFORMATION ONLY

Authority:

Under the authority of the Natural Resources and Environmental Protection Act, 1994 Public Act No. 451, as amended, the Director, in consultation with the Commission, has the authority to establish and implement Department policy.

Discussion and Background:

The Department has, over the past year, carefully studied the advantages and disadvantages of entering into a broad spectrum of relationships with the private-sector to include partnerships, sponsorships and the more aggressive solicitation of donations. It is the conclusion that, if carefully managed, such relationships will allow the Department to be successful in generating new income and other means to help support the mission of the Department.

The attached policy provides direction and procedures to follow when promulgating a sponsorship opportunity or handling one received unsolicited by the department. This format was chosen to allow the Department to be responsive to new and emerging private-sector opportunities and the need to work effectively in meeting both Department requirements and those of the prospective private-sector partner. Although the policy opens a door to a new form of private-sector partnership and sponsorships, it also includes very strong language on the issues of ethics, the selection of appropriate partners, limitations and the critical issue of proportionality in recognizing sponsors and partners.

NATURAL RESOURCES COMMISSION
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Recommendation:

The attached policy has been reviewed by the Waterways Commission, the Citizens Committee for Michigan State Parks and the Natural Resources Trust Fund Board. The Forest Management Advisory Committee is scheduled to take formal action at its next scheduled meeting in early February 2008. All bodies approved the draft policy.

Douglas A. Reeves, Acting Chief
Wildlife

Rodney Stokes, Acting Chief
Law Enforcement

Lynne M. Boyd, Chief
Forest, Mineral and Fire Management

Ronald A. Olson, Chief
Parks and Recreation

David E. Freed, Chief
Land and Facilities

Kelley D. Smith, Chief
Fisheries

Arminda S. Koch
Resource Management Deputy

Dennis Fedewa
Chief Deputy

I approve the staff recommendation.

Rebecca A. Humphries
Director

01.05-10 – Private-Sector Partnerships and Donations (DRAFT: 12/07/2007)

Reference

[Act No. 248, Public Acts of 2006, eff. July 3, 2006](#)

Policy

The DNR may initiate or make available opportunities for individuals, foundations, nonprofit organizations, corporations or other entities to partner with the DNR by providing financial or other means of support for efforts that the department has identified as mission related. The DNR also will accept and study unsolicited proposals for partnerships to include offers of donations to determine the merit and value of each proposal or offer and its benefit to the DNR as a means to accomplish mission-related objectives.

Purpose

As result of a managed effort, the DNR expects to realize increased revenues and other benefits resulting from partnerships and donations. This managed effort will allow the DNR to better fulfill its mission through improvements made to facilities, products or programs identified as being priorities by the DNR; a broadened sense of ownership in the mission of the DNR by individuals, foundations, nonprofit organizations and corporations; enhanced opportunities to communicate with both traditional and non-traditional audiences and the strengthening of stakeholder organizations resulting from their relationship with the DNR.

Information

The Director or the Director's designee shall have oversight responsibility for all partnerships generated by the DNR that include, but not limited to, any opportunities the DNR will grant to the partner that creates or may create an exclusive partnership or other business-related advantage or be of personal benefit to the partner; those resulting from a donation where recognition of the donor is a term or condition; or partnership opportunities not initiated by the DNR.

Requirements

Partnership opportunities initiated by Divisions/Offices (D/O) of the DNR that create or may create an exclusive partnership or other business-related advantage or be of personal benefit to the partner, shall be submitted by the D/O in written format to the Director or the Director's designee at the conceptual stage and prior to any contact or negotiation with any prospective partner.

Partnership and Sponsorship Opportunities

As described in this policy, private-sector partnerships and sponsorships may include, but are not limited to:

- opportunities for sponsors to access certain DNR assets for the purpose of informing the public of their sponsorship or funding of a DNR project, program or service. This may include the sponsor's logo, name or image being placed on signage, in print space, or in other communication tools in exchange for a fixed fee or specified service.
- opportunities for contracted rights such as vending services granted by the DNR that include the DNR receiving a pricing advantage based on guaranteed revenue or other acknowledged value.
- opportunities where sponsors and the DNR cross promote each other and their mission, thus helping both organizations achieve a desired outcome.
- opportunities where the DNR and private entities may pool funds and other resources to achieve common objectives.

Director or designee:

1. Will, upon receiving a proposal from a D/O of the DNR to create such a partnership opportunity, or upon receiving an unsolicited proposal, provide direction on the disposition of the proposal or offer of a donation and will oversee, as appropriate.
2. Will identify any parameters that may exist in terms of recognizing individuals, foundations, nonprofit organizations, corporations or other entities, with special focus being placed on ensuring that recognition remain proportional to how all other partners or donors are or have been recognized.
3. Will ensure an internal review is completed of any proposal or of any donation or other unsolicited offer when such review is deemed appropriate.
4. Will be responsible for notification to internal and external stakeholders or other interested parties, of partnership opportunities to be offered by the DNR and to request and receive input in a timely manner.
5. Will oversee the completion of a report addressing issues of Special Interest to the DNR to be prepared by the D/O initiating the partnership or donation opportunity or as having been assigned to prepare such a report upon receipt of an unsolicited proposal.
6. Will notify the Natural Resources Commission in any instance whereby a donor or private sector entity is offering financial or other support for a project or program of the DNR with the expectation that the program or facility will be named to recognize the donor or private sector entity in perpetuity or for an unspecified term that would require action by the NRC.
7. Will provide for and will coordinate the completion of a report addressing issues of Special Interest on unsolicited proposals and will provide this report and recommendations to the Natural Resources Commission when the request or proposal would require NRC action.
8. Will oversee the execution of written agreements, as necessary, address issues of quality management, and provide for the evaluation of all partner relationships, as covered by this policy.

9. May delegate to D/Os the authority to accept donations and establish, award, and manage partnerships when such does not create an exclusive partnership or provide a business-related advantage or be of personal benefit to the partner.

Proportionality

The DNR, in its management of private-sector partnerships, will be constantly vigilant in its efforts to ensure that recognition, marketing opportunities and naming rights awarded to private-sector partners are proportional.

Proportional, as defined in this policy, shall mean that revenue or other services received by the DNR as result of a sponsorship must be viewed in terms of how they relate to the total cost of the program or service provided to the public by the DNR.

To allow flexibility, this policy does not establish a fixed percentage or cash value or other specific standard that shall be applied to each recognition, marketing or naming rights opportunity, but shall require the DNR to establish, on a case-by-case basis, an appropriate and reasonable standard of return when awarding such rights.

The DNR may receive revenues from more than one partner in support of a program or service, with each partner paying the same amount or different amounts. All partners making the same or similar financial or other commitment shall, as a general rule, receive the same pre-prescribed recognition and marketing opportunities, with each partner paying a lesser amount receiving lesser recognition and marketing opportunities.

Naming rights, as defined in DNR Policy 26.24-07, may be granted by the Director for a defined length of time, generally associated with the term of the partnership or written agreement, but not to exceed twenty-five years. Naming rights for a term greater than twenty-five years or in perpetuity shall be vested with the Natural Resources Commission.

If an endowment is established for the operation of a DNR facility or the delivery of a program, service or other endeavor of the DNR, a naming right opportunity may exist but it shall be limited to the term of the endowment as well as all other applicable criteria as delineated in this policy.

Limitations

Any depictions or use of the state of Michigan seal; DNR logo or program logos; the name, signature, likeness or other identifying personal characteristics of appointed or elected officials by sponsors must be specifically approved in writing by the Director or the Director's designee.

Clearly Defined Benefit

Any sponsorship must provide a clearly defined benefit to the DNR. At a minimum, the supporting documents must include the amount of revenue, cost avoidance or pricing advantage to the DNR; any costs involved with implementation; and other

non-economic benefits to the DNR, as well as the specific benefit (both direct and indirect) expected by the sponsor.

Ethics

Ethics are simply defined as doing what is right in the workplace. In government, there must be no breach of the public trust. In reference to corporate sponsorships, that means following all applicable policy and procedures and refraining from any action that would breach this trust, including, but not limited to:

1. an attempt or action by a public employee to realize his or her own private gain for the endorsement of any product, service or enterprise, or for the private gain of friends, relatives or persons with whom the employee is affiliated in a nongovernmental capacity
2. an attempt or action to favor one sponsor over another or limit access to a sponsorship opportunity
3. any attempt or action that would treat sponsors different from any other business in regard to regulation and/or any legal application.

Consistent and Appropriate Partners

Sponsors and other private-sector entities that the DNR partners with resulting from this policy shall reflect core values that are consistent with those of the state of Michigan and the DNR and whose mission is not incompatible with that of the state of Michigan or the DNR.

Reporting - Issues of Special Interest

The following **Issues of Special Interest** have been established and must be addressed and reported by the D/O initiating the partnership or donation opportunity when such will create or may create an exclusive or other business-related advantage or be of personal benefit to the partner; those resulting from a donation where recognition of the donor is a term or condition; or partnership opportunities not initiated by the DNR. This report shall be made to the Director or designee and will include the following:

1. The benefit the partnership or donation brings to the DNR in terms of meeting mission-related objectives.
2. The recommendation of any citizens committee, board or commission that has statutory authority or is advisory, either to the initiating division of the DNR or the division conducting a review of an unsolicited offer, when such a proposal includes the rights to name or attach a name to land managed by the DNR. These committees, boards or commission include, but are not limited to, the Waterways Commission, the Michigan Natural Resources Trust Fund Board of Trustees, Citizens Committee for State Parks and the Forest Management Advisory Committee.
3. The immediate or long-range costs to the DNR associated with the partnership or acceptance of the donation.
4. When more than one individual or organization may be interested in a partnership with the DNR, describe how the partnership opportunity will be

communicated to the public so as to ensure fairness and transparency in the vetting process and to guarantee that fair-market value is received by the DNR.

5. The criteria the DNR will use to evaluate proposals if more than one proposal is received, how the scoring of proposals will be done, and any limitations that may be in place when negotiating a partnership agreement.
6. Identify how the fair-market value has been, or will be, established for a proposal that was not solicited by the DNR or a donation in which the donor is requesting naming rights or other benefits.
7. The review and reporting of any potential conflicts of interest or other risks that may exist between the DNR and any partner or donor.
8. Identify any organizations whose mission is in conflict with that of the DNR or who may damage the image of the DNR or the State of Michigan, if they became a partner in a program of government.
9. Define what the DNR will offer in terms of recognition, marketing, or promotional opportunities as part of the partnership agreement or the acceptance of any donation.
10. Define specifically what the DNR will receive from the partnership or donation in terms of economic considerations and other expected benefits that will enable the DNR to more efficiently and in a cost-effective manner accomplish its mission.
11. Identify the need for public input before releasing a partnership opportunity or accepting a donation and how input will be received.
12. Define how the partnership will be evaluated and reported during the life of the agreement and upon closure of the partnership.
13. Identify what action is necessary to ensure that no government employee realizes personal profit or gain as a result of the partnership.
14. Identify any restrictions that exist that may encumber the DNR in naming or renaming a landholding to include, but not be limited to, any deed restrictions, funding-source requirements or prior commitments made to donors or others.
15. Identify potential impacts or conflicts the partnership or donation may have on existing DNR operations, policy, procedures, or programs, or cause a need to revise or create new policy or procedures.
16. Recommendations and/or options.
17. Upon receipt of a proposal to an offer generated by the DNR that includes expectations by the prospective partner or donor that are different or would amend any provision of the original offer by the DNR, the proposal shall be reported, in writing, to the DNR Director and internal or external stakeholders, as appropriate, prior to a decision being made.

Definitions

partnerships - partnerships, as used in this policy, occur when the DNR and one or more private or public sector entities enter into an agreement that calls for each partner to provide a pre-determined level of support for efforts that the Department has identified as mission related. These may include the sponsorship or endowment of DNR programs, providing in-kind services, partnering on communications and marketing initiatives, and similar public-private sector relationships.

sponsorship - sponsorship occurs when an investment of cash or in-kind services is made by a non-profit organization, business, or corporation to financially underwrite the work or products of the DNR in exchange for receiving something in return, typically to include agreed upon co-branding and marketing opportunities.

marketing opportunities - what the DNR agrees to provide the sponsor in exchange for financial or other commitments made by the sponsor to the DNR. These may include, but are not limited to, co-branding and customer-access opportunities; direct or database marketing; on-site logo placement; masthead, centerfold or back-cover ads in publications; point-of-sale opportunities; off-site or Web site logo placement; naming rights to include title, presenting or official sponsor, etc.

Contact Division/Office - Section

Executive Division