



TWEED
SHIRE COUNCIL

Policy

Corporate Sponsorship Policy

Version 1.0

Adopted by Council at its meeting on 19 July 2011
Minute No: 389

Division:
Section:
File Reference:
Historical Reference:

Corporate Services
Events
N/A
Reviewed 20 June 2013

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Corporate Sponsorship Policy

Policy Objective

This policy provides a transparent process in the provision of corporate sponsorship to Council, in the interests of public accountability.

The areas it covers are:

- [Key considerations](#)
- [The purpose of sponsorship in Tweed Shire Council](#)
- [Attracting sponsors](#)
- [Pitching and negotiating the sponsorship](#)
- [Approval process](#)
- [Contracting the sponsorship](#)
- [Managing the sponsorship](#)
- [Evaluating and reporting](#)
- [Sponsor brokers](#)
- [Appendix. ICAC 10 Sponsorship Principles](#)

Definitions

Sponsor: Any organisation or individual providing resources to the Council, for use in achieving Council objectives, in return for specific benefits.

Benefits for sponsors: Benefits include - but are not limited to - branding, hospitality, and advertising to reach a sponsor's target audience. Benefits are determined by collaboration and agreement between the Council and the sponsor, and are restricted by Government guidelines and this policy. For example, Council does not endorse commercial products or services.

Benefits for Council: Resources gained by Council to enhance, or to offset the cost of, producing and promoting Council events, programs and services.

Project: An activity - such as an event, program or service - for which sponsorship is sought.

Resources: Cash, goods (eg. equipment) or services (eg. advertising or printing) raised by sponsorship.

Grants: Grants and sponsorships provided by Council to support community-based organisations are not considered sponsorship under the terms of this Policy. They are covered by the Council's Donations and Grants Policy 2010.

Policy Background

This policy was developed to outline a process for Council to receive corporate sponsorship, as well as providing information for potential sponsors about partnerships with the Council.

It applies to all sponsorships received by Council and outlines what sponsorships Council will and will not undertake.

The policy includes guidelines for assessing, managing, evaluating, developing and reporting on sponsorships. It also outlines the rights and responsibilities of all parties involved in a sponsorship to ensure there is neither conflict of interest nor negative impact on the Council's reputation or probity.

Policy

1. Introduction

Policy application

This policy applies to all sponsorships received by Tweed Shire Council (Council). It does not apply to the grants and donations given by the Council, which are covered by the Festivals, Donations and Grants Policy 2011.

This policy takes into consideration the Independent Commission Against Corruption's (ICAC) *Sponsorship in the public sector, A guide to developing policies and procedures for both receiving and granting sponsorship (May 2006)* and Council's *Code of Conduct*.

This Corporate Sponsorship Policy outlines:

- How sponsorship is defined and the process for approval.
- What sponsorships Council will and will not undertake.
- Guidelines for assessing, managing, evaluating, developing and reporting on sponsorships.
- The rights and responsibilities of all parties involved in a sponsorship to ensure there is neither conflict of interest nor negative impact on the Council's reputation or probity.

Sponsorship

Council has a range of responsibilities to deliver programs and services under the relevant legislation. It also facilitates events which contribute to the vibrant cultural life of Tweed Shire and these are generally free to the public.

Sponsorship is used by a number of Council's units to obtain additional resources with which to support specific activities or programs. In addition, the success and public exposure of an activity can be enhanced by sponsorship.

For the purposes of this policy, a sponsor is any organisation or individual providing resources to Council, for use in achieving Council objectives, in return for specific benefits. Sponsorship can be provided as cash or as value-in-kind, where the sponsor provides a product or a service. The value of sponsorship arrangements can vary from a few hundred dollars to thousands of dollars. A sponsorship agreement can last from a few hours, for a specific event, to a partnership of several years between the Council and sponsor. Grants and funding agreements with government authorities are not considered as sponsorship.

Through sponsorship, Council can enhance, extend or reduce the cost of current activities or programs or develop new ones. It can do this by providing some benefit to a private sector company, corporation or other government agency in exchange for money, goods or services to support its activities.

The benefits to sponsors can include, for instance, the exposure of the sponsor's name or logo as a supporter of Council activity. This activity may attract a larger or different audience from that which the sponsor might target in its normal business. The association of the sponsor with the broader public interest of the Council can improve the sponsor's relationship with its stakeholders, shareholders, staff and customers - as well as provide the opportunity for the sponsor to present its name and products to a wider market.

Who manages this policy

The General Manager is responsible for the policy and processes outlined in this document. Most sponsorship for Council is managed by the Communications and Marketing Unit through the Communications Officer - Events.

The purpose of this policy

This policy has been developed to provide a transparent process in the interests of public accountability. It provides a process for Council, as well as information for potential sponsors about partnerships with the Council.

Who can use this policy?

Any employee of the Council or potential sponsor can use this policy for reference or to identify projects which could benefit from sponsorship. Ideas for possible sponsorship opportunities should be discussed with the Communications Officer - Events on (02) 6670 2400. For reasons of consistency and probity, responsibility for undertaking negotiations for all sponsorships rests with the Communications Officer - Events. Negotiations must be endorsed by the General Manager and/or the Communications and Marketing Unit before starting.

How to use this policy

If you are an organisation that wants to enter into a sponsorship arrangement with the Council:

1. Read sections 2 and 3: Key considerations and The Purpose of Sponsorship in the Tweed Shire Council.
2. If you fulfil the criteria outlined in section 2, read Section 5: Attracting Sponsors and Sections 8 -11.
3. Contact the Communications Officer - Events on (02) 6670 2400.

2. Key Considerations

Council's reputation is an important asset. In addition, Council has public responsibilities and accountabilities, and must operate within legislation, policies and guidelines.

To minimise possibilities where conflict of interest may occur, and to ensure sponsorship activities fulfill Council's public responsibilities and operate within legislation, policies and guidelines, this policy clearly outlines what sponsorships Council will not undertake (see Section 2.4).

All sponsorships, noting the name of the sponsor and the event sponsored, will be listed in Council's Annual Report. The value of the sponsorship will be published unless the details are commercial in confidence as agreed by both the sponsor and Council.

Officers involved in sponsorship activity should be conscious of their primary responsibility for probity. Council's *Code of Conduct* is the reference for maintaining professional and ethical behaviour at all times.

The risks associated with sponsorship can be higher than those associated with normal Council activities. The major risks include:

- perceptions of improper conduct
- the potential to embarrass the Council through associating a Council project with an inappropriate sponsor
- undertaking an activity on the basis of the promise of corporate sponsorship which then does not materialise
- breaching the Council's accounting requirements
- undervaluing or overvaluing sponsorship projects to potential sponsors
- not being cost effective
- being incapable of surviving critical public scrutiny

2.1 Conflict of interest

Any sponsorship the Council undertakes must not compromise Council's reputation, public image, probity or its ability to fulfill its functions or compromise its agreed objectives or policies.

While Council does not provide sponsors with commercial endorsements, sponsors may gain credibility from association with Council. However, Council might lose credibility by associating itself with businesses which do not fulfill their responsibilities under fair trading laws, who are of poor repute or conflict with the Council's priority programs and commitments.

Protecting Council's reputation and its compliance role will be expressed as a term or terms in the agreement. The terms to be included depend on the nature and scope of the sponsorship.

For example, the Council can include terms to ensure:

- Its logo is not used without its specific permission.
- The sponsorship deal is not regarded as a general endorsement by the Council of the business activity of the other party.
- The sponsorship deal will not fetter Council's ability to undertake its regulatory and compliance roles.
- Council continues to own the intellectual property developed.
- Council information obtained by the other party in the course of the sponsorship is kept confidential.
- Compliance with Council's Business Ethics Policy.

Where the sponsor proposes to deal with Council in any other capacity, the General Manager will implement appropriate measures to deal with any actual or potential conflict, consistent with ICAC guidelines, and after consulting with Council's Manager Financial Services, Internal Auditor and/or Audit Committee as appropriate.

2.2 Public Responsibilities

Any sponsorship undertaken should not replace a service required by law nor inhibit Council's ability to ensure:

- Events, programs and services are accessible and appropriate to all groups in the community.
- All relevant program objectives, outcomes and outputs are consistent with Council's Community Strategic Plan.

Council is accountable to the public. Any sponsorship it undertakes must be one which the Council would be proud to see in the public domain.

Council works in a regulatory capacity. Any sponsorship it undertakes cannot influence decisions or action by the Council. Therefore, Council will not accept sponsorship of services such as licenses, development applications, compliance and legal dispute resolutions.

2.3 Government guidelines

Any sponsorship undertaken must fall within Government sector-wide guidelines. Two key guidelines which apply directly to this policy are Council's *Code of Conduct* and the ICAC's Revised Sponsorship Principles (attached in Appendix).

2.4 Sponsorships not permitted under this Policy

Given the above considerations, Council will not undertake sponsorships that:

2.4.1 Prohibited Sponsorships By Type

1. Involve sponsors that are in the business of pornography or tobacco.
2. Involve sponsors in political fields (such as political parties).
3. Involve services such as licenses, development applications, compliance and legal dispute resolutions.

2.4.2 Prohibited Sponsorships by Outcome / Operation

1. Require or imply Council's endorsement of commercial products, services, companies or individuals.
2. Limit Council's ability to carry out its function fully and impartially.
3. Restrict access to Council's events, products and services by the widest audience possible.
4. Are not consistent with Council's social justice principles of equity, access, participation, rights and accessibility for all groups in the community.
5. Cannot be accountable to the public.
6. Personally benefit individual councillors, Council employees or their friends/family.

7. Allow ownership and control of the sponsored project to go outside the Council.
8. Give a sponsor influence over Council and access to restricted information.
9. Pose a conflict with the broader policies and practices of Council.
10. Pose a conflict between the objectives and mission of Council and those of the sponsor.
11. Imply Council endorsement of contentious community issues.
12. Involve provision to the public of a sponsor's product or service where that product or service has not been evaluated for its fitness for purpose against the objective operational criteria relevant to Council's needs.
13. Have not gone through the processes set out in this Policy.
14. Require Council to commit to delivering a product or service which it does not have the means, infrastructure or resources to do so.
15. Have not been approved by the General Manager.
16. Generate surplus capital which cannot be used to offset costs of, or enhance a Council project (not a genuine sponsorship).
17. Place a price on Council's sponsorship package that is not fair in comparison to marketplace prices.
18. Require research to establish the viability of undertaking a sponsorship, where that research exceeds the value of the sponsorship itself.
19. Place a price on a sponsorship package which is so low as to undermine the perceived quality of that package.
20. Place a price on a sponsorship package which does not represent value-for-money for the sponsor.
21. Does not accord with National Competition Policy.
22. Do not have clearly defined objectives which allow the sponsor and Council to evaluate the outcome and results.
23. Do not support the overall objectives of Council.
24. Do not have a written letter of agreement and/or sponsorship contract between Council and the sponsor.

3. The Purpose of Sponsorship in Tweed Shire Council

There are many instances when Council may want or need to negotiate a sponsorship. For example:

- The community will benefit from the partnership established.
- Budget restrictions do not allow for any improvements to be made to an existing event, program or service required under Council's Community Strategic Plan.
- Budget restrictions do not allow Council to meet a need for a new event, program or service as established by Council's Community Strategic Plan.
- Current supply of a necessary program or service is no longer economically viable.
- A business has approached Council with an offer of sponsorship.
- A prospective sponsor has a high reputation for providing a proposed service or goods.

Whatever the circumstances, a sponsorship may be able to assist Council to achieve its goals. A sponsorship, by definition, must provide both the sponsor and Council with clear benefits.

4. Attracting Sponsors

To maintain a level playing field, ICAC recommends that Government agencies seeking sponsorship should publicly call for Expressions of Interest to allow all potential sponsors equal opportunities for involvement in the project. However, research has shown this is not the most effective method of attracting sponsors, particularly on a per-project basis.

ICAC does recognise instances where it is more feasible to approach individual sponsors directly. This is also more effective in terms of cost and time, as it allows Council to identify those sponsors that will meet its criteria (Sections 2.4 and 3) and who will most benefit by the audience being reached by the project.

In those instances where it is more feasible to approach individual sponsors directly, Council will employ both methods to allow for both a level playing field and the identification of most appropriate sponsors.

Attracting sponsors is a two-stage process:

1. Attracting interest from potential sponsors.
2. Pitching a sponsorship to individual organisations, in view of their specific objectives.

4.1 Expressions of interest

Council will post an Expressions of Interest advertisement at least annually. The advertisement will briefly outline major projects which may be open for sponsorship during the next year, and refer to other smaller projects, and ask for any expressions of interest to be sent to the Communications Officer - Events. A Sponsorship Offer will be prepared on an annual basis, and on a per-project basis, and provided to organisations who express interest.

If Council receives responses, these will be assessed using the same process as outlined in this Policy. Council will also directly approach potential sponsors and pitch to their corporate objectives in accordance with the terms of this Policy.

Council will ensure that information provided about sponsorships is consistent for all organisations, with the aim that there is no advantage or disadvantage to one organisation over another as a result of information provided about potential sponsorships. This does not require Council to provide commercial-in-confidence information provided by any organisation to another organisation.

4.2 Unsolicited offers

Council may be approached directly by an organisation with an unsolicited sponsorship offer. Generally there is a commercial advantage to the organisation proposing the sponsorship. Careful consideration should be given to the acceptance of this offer. Council may obtain better value for money by accepting the sponsorship than by calling

for expressions of interest. The sponsorship offer should be evaluated in accordance with this Policy.

Where an unsolicited offer of sponsorship is received and there is a desire to test the market for further interest, it is important to protect the commercially valuable ideas and strategies of the organisation or the individual that proposed the original offer.

4.3 Exceptional circumstances

There may be occasions when it is considered necessary or desirable to accept an unsolicited offer or to renew an existing sponsorship agreement without first testing the market for alternative offers. Such instances could include:

- Sole/limited supplier situations.
- Where a considered assessment establishes that the calling or expressions of interest or tenders will threaten the viability of the first offer and/or lead to a lesser end result.
- Where there is reason to believe that no other competitor could provide a better offer.
- Where arrangements are negotiated for more than one year period.
- When deadlines prohibit the calling of expressions of interest or tenders.

In this case, the sponsorship offer/renewal should be evaluated in accordance with this Policy.

4.4 Selecting sponsors

Council should always select the sponsor that offers the most towards achieving the project's and Council's goals, and will clearly benefit from sponsoring the activity.

Sponsorship offers can be declined if they do not meet Council's criteria for sponsorship (see Section 2.4).

If Council receives expressions of interests from more sponsors than the project requires or can support, it should seek other opportunities for them where possible. For example, Council might be able to offer them a smaller sponsorship package within the same project, creating a tiered sponsorship with major and secondary sponsors, or sponsorship of another project in progress.

In each case, Council must be able to clearly demonstrate and record reasons for selecting and not selecting sponsors.

5. Pitching and Negotiating the Sponsorship

Council will:

1. Pitch to the sponsor through the most appropriate process: directly, through an advertising agency, through a manager of the organisation's sponsorship funds, etc.
2. Where appropriate, seek the support of the General Manager and the Mayor in the sponsorship pitch.
3. If an organisation expresses interest in the sponsorship, negotiate a sponsorship arrangement based around the original pitch.
4. Where the sponsorship involves a change to the cash amount sought, negotiate the benefits accordingly.

5. Once a sponsorship deal has been reached, seek the approval of the General Manager or Council.
6. Finalise the sponsorship with the execution of a sponsorship contract (see section 8).

6. Approval Process

Sponsorship agreements with a total value exceeding \$5,000, whether a single year or multi-year sponsorship agreement, will be put to Council for approval. Sponsorship agreements up to a total value of \$5,000, whether a single year or multi-year sponsorship agreement, will be submitted to the General Manager for approval.

7. Contracting the Sponsorship

Once the proposed sponsorship has been approved, it must be contracted. Any agreement between Council and a sponsor must be put in writing, outlining all the rights and responsibilities of both parties, in addition to establishing clear objectives. Agreements must be signed by the General Manager.

There are two standard templates that apply to sponsorships:

- A letter of agreement for contracts up to a value of \$20,000 plus GST.
- A contract for contracts valued at over \$20,000 plus GST.

Not all agreements need to originate with Council. Where the sponsorship approach is from Council, there is likely to be an expectation by the other parties that Council drafts the agreement. Where another party submits an unsolicited proposal to Council, it is likely the sponsor may draft the agreement. All sponsors must provide a Certificate of Currency for relevant insurance covers, including Public Liability Insurance, which must be approved by Council's Risk Manager.

Sponsorship agreements will include:

1. The objectives of the parties.
2. The event, program or service to be sponsored.
3. Tenure of the sponsorship.
4. An event assessment evaluation procedure.
5. The value of the sponsorship to be provided by the sponsor and a payment schedule.
6. The nature and value of the benefits to be provided by Council.
7. The right of Council not to be fettered in its regulatory and compliance role by the sponsoring organisation or the sponsorship.
8. Cancellation and termination conditions.
9. Dispute resolution clause for contracts over \$20,000 (plus GST).
10. That the Sponsor advises Council of any change in circumstances relating to the Sponsor's reputation.
11. That the Sponsor advises Council of any association or parent company directly or indirectly involved in the sponsorship.
12. That the Sponsor will disclose the existence of the sponsorship when dealing with Council in any other capacity (such as, the provision of goods and services, regulatory or compliance matters).

Contracts must be signed before the sponsorship is provided, announced or any publicity materials are produced.

8. Managing the Sponsorship

Council will:

1. Ensure the contract is executed by both parties prior to the commencement of the sponsored project.
2. Assist in the development of a project management plan, including an event timeline with invitation, public relations and print deadlines.
3. Determine with the sponsor an approval process for the use of logos and other printed materials.
4. Provide the sponsor with updates on the planning of the event.
5. Liaise with the sponsor on the hospitality requirements, including invitations, RSVPs, ticketing and catering.
6. Maintain good communication with the sponsor.
7. Ensure the exchange of GST invoices.

9. Evaluating and Reporting

Sponsorship activities should be evaluated against a project assessment evaluation plan established in agreement with the sponsor. As any dealings with corporate sponsors need to be highly transparent and satisfy public accountability, reports must be clear and easily accessible.

9.1 Evaluation

Evaluation is used to gauge performance and provide information for reports, to both Council and the sponsors, on the success of the sponsorship activity. Measurements for evaluation should be established in conjunction with the sponsor. Possible qualitative and quantitative measures could include:

- whether the letter of agreement or contract was fulfilled
- the extent to which sponsor used benefits
- qualitative assessment of the activity
- whether the target audience was reached
- whether the general community's awareness was raised
- how much media coverage was generated
- cost / benefit analysis (actual versus budget)

In some instances and particularly for major events, either Council or the sponsor will gain benefits from formal marketplace research to assess outcomes. Results of market research can be used to assist in acquiring sponsors in the future and encouraging existing sponsors to renew.

9.2 Reporting

9.2.1 Reporting to Council

All sponsorships will be provided for within Council's budgets for events, programs and services. The total value of sponsorships for each event will be reported within the Quarterly Financial reports to Council. Individual sponsorship amounts will be reported unless deemed commercial-in-confidence on the agreement of both the sponsor and Council. Sponsorships will be included in the Annual Report.

9.2.2 Reporting to the sponsor

A report will be provided to each sponsor at the completion of the sponsorship activity, including an evaluation of the project as outlined in clause 9.1 above.

10. Sponsor Brokers

Council may invite Sponsor or Media Brokers to assist it in attracting, negotiating with and selecting sponsors and media partners. Any arrangement will be undertaken under the terms of this Policy. Any Sponsor or Media Broker must disclose any potential conflict of interest prior to entering into a contract with Council for their services.

Appendix. ICAC 10 Sponsorship Principles

1. A sponsorship agreement should not impose or imply conditions that would limit, or appear to limit, a public sector agency's ability to carry out its functions fully and impartially.
2. There should be no actual conflict between the objectives and/or mission of the sponsored agency and those of the sponsor.
3. In general, a public sector agency with regulatory or inspection responsibilities should not seek, or accept sponsorship from people or organisations which are, or may be, subject to regulation or inspection by the agency during the life of the sponsorship. Where adhering to this principle would unduly limit the agency's sponsorship prospects, the agency should develop alternative strategies to ensure it can carry out its regulatory or inspection responsibilities in relation to sponsors in an open, fair, accountable and impartial manner.
4. Sponsorship of a public sector agency or activity should not involve explicit endorsement of the sponsor or the sponsor's products.
5. Where sponsorship involves the sponsor providing a product to the agency, the agency should evaluate that product for its fitness for purpose against objective criteria that are relevant to the agency's needs.
6. It is inappropriate for any employee of a public sector agency to receive a personal benefit from a sponsorship.
7. In most circumstances, the public interest is best served by making sponsorship opportunities widely known. To this end, sponsorships should be sought and granted by using broadly based, open processes that are not limited solely to invited sponsors.
8. Public sector agencies should assess sponsorship proposals against predetermined criteria which have been published in advance or which are circulated to organisations that submit an expression of interest.
9. A sponsorship arrangement is a contract and should be described in a written agreement.
10. All sponsorship arrangements should be approved by the CEO or another designated senior officer of the agency and described in the agency's annual report in a form commensurate with the significance of the sponsorship.

Source: *'Sponsorship in the public sector'*, ICAC, May 2006.

Related Legislation

Local Government Act

Compliance

All sponsorships, noting the name of the sponsor and the event sponsored, will be listed in Council's Annual Report. The value of the sponsorship will be published unless the details are commercial in confidence as agreed by both the sponsor and Council.

Compliance with Council's Business Ethics Policy.

Any agreement between Council and a sponsor must be put in writing, outlining all the rights and responsibilities of both parties, in addition to establishing clear objectives. Agreements must be signed by the General Manager.

All sponsors must provide a Certificate of Currency for relevant insurance covers, including Public Liability Insurance, which must be approved by Council's Risk Manager.

Forms

Not applicable

Review Period

Review of this policy is ongoing and updates are undertaken as required.

Useful Links

[Tweed Shire Council website](#)

[Independent Commission Against Corruption's \(ICAC\) Sponsorship in the public sector, A guide to developing policies and procedures for both receiving and granting sponsorship \(May 2006\)](#)

[Code of Conduct](#)

[Code of Conduct Administration](#)

[Business Ethics Policy](#)

[Community Strategic Plan 2013/2023](#)

[National Competition Policy](#)

