

# Policy

Sponsorship of Council Projects, Events, Services or Activities

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## Version History

Revision No.	Date	Modified By	Details / Comments
4.0	29/02/2024	Coordinator Economic Development	Final amended updated policy, as per Council resolution 268/23
3.0	19/10/2023	Coordinator Economic Development	Updated policy adopted by Council, resolution 268/23, subject to correction of proof reading/grammatical errors
2.0	09/12/2014	Director Governance Executive Services	Adopted by Council, resolution DOC284/17
1.0	16/10/2014	Governance	Draft

## 1 Introduction

This policy aims to ensure any sponsorship agreement is developed in a professional and coordinated manner that will withstand scrutiny and complies with Council's SMRC Code of Conduct Policy.

## 2 Purpose

This document establishes the principles for sponsorship agreements between Snowy Monaro Regional Council and other parties. It provides guidelines for seeking sponsorship and outlines the procedures to be met by both Council and the sponsorship partner. The policy has been developed to provide a transparent process in the interest of public accountability.

This policy does not apply to events seeking funding support under Council's 'Funding Support for Events' Policy.

## 2.1 Definitions

Sponsorship is a commercial arrangement in which a sponsor provides a contribution of money or in kind to support, for part of a program or project in return for certain specified and definable benefits. Sponsorship can be provided by the:

- Corporate sector or private individuals, in support of a public sector activities
- Public sector in support of related and worthwhile private or public activities

Sponsorship does not include the selling of advertisement space, joint ventures, partnerships, grant programs, consultancies, grants (in regards to received sponsorship), unconditional gifts, donations, bequests or endowments. The provision of donations and gifts, both to or from Council, are not covered by this policy<sup>1</sup>.

## 2.2 Principles

Snowy Monaro Regional Council invites and seeks sponsorship for selected Council projects, events, services or activities to maximise financial and in-kind assistance for the benefit of the Snowy Monaro community. Council is also committed to supporting (through partnership agreements) various projects, events, services and activities that provide benefit to the Snowy Monaro community.

All sponsorships will be undertaken in accordance with Council's policies and legislative requirements, and to the mutual benefit of both parties.

When Council and its officers seek and obtain sponsorship, or agree to become a sponsor, it will do so in a professional and coordinated manner that will withstand scrutiny and comply with Council's SMRC Code of Conduct Policy.

Council will consider engaging in sponsorship agreements in circumstances where:

- Connection with a reputable sponsor could enhance Council's image and reputation
- Sponsorship could make it possible for Council or a company/organisation to undertake beneficial non-core activities that could not otherwise be funded or undertaken to the same extent
- Sponsorship could either reduce the cost of a particular event or activity or enable it, in the public interest, to be expanded or enhanced
- Sponsorship could achieve greater community awareness or public profile for Council, a particular service, program or product, than may otherwise have been possible

## 2.3 Risk Management

A risk assessment of each potential sponsorship arrangement will be undertaken to determine if any risks are posed by the arrangement, as well as assess whether these risks are acceptable or manageable. When companies/organisations express an interest in sponsoring a Council initiative or invite Council to sponsor a project or undertaking, they will be required to complete a checklist as part of the Expression of Interest (EOI) process. This will enable Council to proceed with a risk assessment of the sponsorship arrangement prior to confirming the agreement.

\* Company/organisation may include individuals who may wish to sponsor a Council initiative.

## 2.4 Roles, Responsibilities and Resources

Any Council officer wishing to engage in a sponsorship arrangement with an external company/organisation should do so in liaison with the Governance business unit to ensure consistency, adherence to administration responsibilities and to guarantee this policy and its guidelines are followed.

The final approval for all sponsorship agreements rests with Council's Chief Executive Officer. Other Council officers involved in the sponsorship negotiations may include members of the Executive Leadership Team and/or Senior Management Team.

## 2.5 Suitable Activities for Sponsorship

Sponsors are sought for a range of Council activities including community events and festivals, community and sporting facilities, educational facilities and equipment. Council will consider sponsoring a range of community activities including community events and festivals, community cultural facilities, educational facilities and equipment.

## 2.6 Acceptable Sponsorship Partners

Attributes of suitable sponsorship partners include:

- Reputable companies/organisations whose objectives and products do not conflict with Council's values and objectives
- Companies/organisations whose parent companies and subsidiaries' objectives and products do not conflict with those of Council
- Companies/organisations who have an acceptable sponsorship record with Council and with other government agencies
- Companies/organisations that provide goods and services which are required by, and benefit, Council and the Snowy Monaro community

## 2.7 Guidelines for Seeking Sponsorship

When Council seeks sponsorship support, a sponsorship proposal should be developed clearly outlining the nature of the project, why it is being proposed, benefits to potential sponsors and to Snowy Monaro Regional Council, as well as the type or value of sponsorship sought.

The public interest is best served by Council making sponsorship opportunities widely known and using broad-based open processes that are not limited solely to invited sponsors. Council will place advertisements in a local newspaper calling for Expressions of Interests when it is seeking a sponsor, at a time that suits Council. Sponsorship opportunities may also be communicated through Council's website, social media pages and through advertisements in suitably chosen media outlets. The Vendorpanel platform may also be used.

In some instances, broad advertising may not be appropriate. In these instances, letters may be distributed directly to suitable potential sponsors inviting them to respond to sponsorship proposals. Council will ensure all information provided is consistent and there is no advantage or disadvantage to one organisation over another. Reasons for not advertising should be documented to dispel any possible suggestions of impropriety.

Council's Governance unit is available to assist Council officers with the preparation of promotional material, and the development of sponsorship proposals and agreements.

The particular department within Council seeking sponsorship should ensure that sufficient resources are available to enable the pledged sponsor benefits to be delivered and to ensure the project implemented.

When companies/organisations seek sponsorship support from Council, they will be required to provide a sponsorship proposal that clearly outlines the nature of the project, why it is being proposed, the benefits to Council and the local community, and the type or value of sponsorship sought.

## 2.8 Assessment of Sponsorship Proposals

When considering whether to enter a sponsorship agreement with a potential sponsor, Council will consider the following factors:

- The general public reputation of the potential sponsor and whether this is compatible with Council's vision of being a 'trusted community partner'
- The nature of any objectives, products and marketing strategies of the potential sponsor including any of its parent or subsidiary companies
- Whether the products, services, policies and conduct of the potential sponsor generally demonstrate integrity, regard for the health of people and the environment, and respect for the law
- The goods, services and/or benefits that Council receive from the arrangement is positive for the community
- The quality of any previous dealings Council may have had with the potential sponsor
- Any current commercial arrangements or connections of the potential sponsor with Council
- Whether the potential sponsor will be subject to regulation and/or inspection by Council in relation to its normal business activities during the course of the sponsorship term

Potential sponsors of particular Council initiatives may be assessed against additional specific criteria which will be available to all interested parties at the time of seeking sponsorship.

Invitations to Council to sponsor external initiatives will be assessed against criteria and can include any past or present business conducted with Council, the company or organisation's statement of principal activities, as well as parent or subsidiary company information. Consideration must also be given to budget available to undertake the agreement, the resources required to service the agreement, and an assessment of these against the benefits provided to Council or the Snowy Monaro community.

When a risk assessment of a potential sponsorship agreement is undertaken and risk is identified as nil or minimal/manageable, the sponsorship agreement can be established and arrangements commence. When the risk assessment identifies a potential risk or concern to Council, the matter will be referred to Council's Chief Executive Officer, who will determine whether the sponsorship agreement should proceed.

## 2.9 Involvement of the Department of Education in sponsorship arrangements specifically concerning the Cooma Regional Sports Centre

Council has obligations in relation to business sponsorship that form part of its licence agreement with the Minister for Education and Early Learning regarding the Cooma Regional Sports Centre (CRSC) at Monaro High School. In summary, arrangements for business sponsorship and advertising at the site must consider, and be consistent, with any NSW Department of Education (DoE) guidelines and/or policies on this subject.

The NSW Department of Education has a policy regarding sponsorships and commercial arrangements which the Council cannot contravene. The policy is available at:

<https://education.nsw.gov.au/policy-library/policies/pd-2009-0399>

Council cannot and will not accept a sponsorship arrangement from a sponsor in relation to the CRSC which is considered unacceptable under the DoE's policy. In general, this includes an organisation that sells or promotes:

- Unhealthy food
- Tobacco
- Alcohol products
- Gambling products
- Weapons manufacturing
- Anything illegal

By contrast, potentially acceptable sponsors will:

- Be reputable organisations, individuals or bodies
- Have objectives, products and marketing strategies that do not conflict with the DoE's values and objectives
- Have parent companies or subsidiaries whose objectives and missions do not conflict with those of the DoE
- Provide goods or services that will benefit student outcomes and be of the required type and quality

Before entering a sponsorship agreement, Council will liaise with the DoE to ensure there are no concerns from their perspective with any particular potential business sponsor.

## 2.10 Conflicts of Interest

There should be no real or perceived conflict between the objectives and mission of Council and those of the sponsor or the company/organisation seeking sponsorship. When assessing potential sponsorship arrangements, Council should review the values and objectives of the potential sponsor or recipient company/organisation (or its parent company), ensuring they do not conflict with Council's values and objectives.

The proposed project/sponsorship arrangement must not interfere with Council's ability to carry out its functions fully, impartially and ethically. Sponsorship arrangements that impose or imply conditions that limit the Council's ability to carry out its functions fully and impartially will not be agreed to.

Given the nature of local government, sponsorship should not be sought from political parties. Sponsors should not be sought from organisations involved in the business of pornography, alcohol, gambling or tobacco. Council officers assessing, administering or approving the proposed sponsorships should declare any personal relationships or financial arrangements pertaining to the agreement.

If any such conflict is declared and Council decides to proceed with the sponsorship agreement, the decision-making process and management strategies to manage the conflict should be documented.

Council will not implement a sponsorship agreement with any party engaged in current or pending legal proceedings involving Council or where the proposed agreement would contravene any section of the *Local Government Act 1993* or where the proposed arrangement may expose councillors, Council or its staff to conflicts of interest.

A sponsorship agreement may be reviewed in any case where, during the life of the sponsorship, the sponsor has a current application or matter before Council, or when Council is aware of the possibility of an application or matter coming before Council in the near future.

Similarly, any attempted influence of Council's functions will result in an automatic review and/or termination of the sponsorship arrangement at any time.

Sponsor benefits or sponsorships do not include implied endorsement by Council of the sponsor's goods or services. Sponsorship agreements do not permit the use of Council's logo to promote other products.

## 2.11 Personal Benefits

No Council officer or councillor, or their relatives or partners, should seek or receive a personal benefit, nor be perceived to receive a personal benefit, from a sponsorship agreement. Any benefits arising as a result of a sponsorship arrangement must be seen to be to the advantage of Council rather than an individual.

## 2.12 Benefits to Sponsors from Sponsorship Agreements

Council may offer a range of benefits to sponsors which include naming rights, branding on signage, complimentary tickets, corporate profile raising, or increased brand recognition.

If the sponsorship agreement involves the supply of a product, that product should be evaluated for its fitness for purpose against objective criteria relevant to Council's needs.

The sponsorship agreement should not involve explicit endorsement of the sponsor or the sponsor's products.

Council will acknowledge sponsor or supporter status in publicity regarding the project as negotiated in the sponsorship agreement. These benefits will be detailed in a sponsorship agreement prior to commencement of the sponsorship.

## 2.13 Granting Sponsorship

A sponsorship agreement outlining the full terms and conditions of the agreement will be recorded in writing and signed by both parties. This agreement will include approval for Council to list the sponsorship arrangement in Council's Annual Report document.

The final sponsorship agreement must be recorded in writing and signed by both parties.

This should include:

- The term or purpose of the sponsorship and any conditions regarding renewal
- Specific services, products or funds to be provided by the sponsor and the reciprocal benefits
- The form/s of sponsorship acknowledgement, which will be available for use in promotional material
- Council's request for information on any association or parent company directly or indirectly involved in the sponsorship
- Any limitations to the sponsorship, such as restrictions on seeking additional sponsors
- The responsibilities and expectations of each party regarding the budget
- Any guidelines for the use of corporate logos or conditions for advertising, media and other publicity as agreed to
- A statement to the effect that any attempted influence of Council regulatory functions will result in an automatic review and/or termination of the sponsorship agreement
- Cancellation and termination conditions
- Any special conditions which may apply

Where Council is the party seeking sponsorship, the final sponsorship agreement should be based on any future sponsorship template that has been developed by Council for this policy.

## 2.14 Administering Sponsorship Agreements

All information and documentation, including incoming sponsorship proposals, EOIs, evaluations, agreements, and any other relevant document will be kept on file in Council's record management system. Council's Governance business unit will facilitate the administration to ensure consistency in coordinating sponsorship arrangements throughout the organisation.

A six monthly report providing details of all sponsorship agreements that Council enter into will be provided to Council. All sponsorship agreements will be detailed in Council's Annual Report.

## 2.15 The Role of Councillors

Councillors interested in assisting with sponsorship arrangements should liaise with Council's Chief Executive Officer and not seek to negotiate sponsorship independently on behalf of Council.

## 2.16 References

1. Based on a report considering this topic entitled 'Sponsorship in the public sector' prepared by the NSW Independent Commission Against Corruption (ICAC) in 2006.

## Related Documents

This policy should be read in conjunction with the following documents:

### Documentation

SMRC Code of Conduct Policy

Procedures for the Administration of the Code of Conduct for Local Councils

'Sponsorship in the public sector' NSW Independent Commission Against Corruption (ICAC) 2006

## Variation

Council reserves the right to review, vary or revoke this policy and should be reviewed periodically to ensure it is relevant and appropriate.