

CITY OF
CANADA BAY

SPONSORSHIP AND DONATIONS POLICY

Date of Adoption: 15 March 2017

Effective Date: 15 March 2017

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1. Introduction

This document establishes the principles for sponsorship agreements between the City of Canada Bay and other parties. It provides guidelines for seeking sponsorship and outlines the procedures to be met by both Council and the sponsorship partner, and outlines the guidelines for all donations made to Council. The policy has been developed to provide a transparent process in the interests of public accountability.

2. Definitions

Sponsorship is a commercial arrangement in which a sponsor provides a contribution in money or in kind of any value to support 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 activity; or
- By the public sector in support of related and worthwhile private or public activities.

Sponsorship does not include the selling of advertising space, joint ventures, partnerships, grant programs, consultancies, grants (in regard to received sponsorship) and unconditional gifts, donations, bequests or endowments.

An acceptable donation is one that Council deems to represent an appropriate sum of money or in-kind/goods/services for a project or activity that falls within the normal scope of Council services.

3. 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. Sponsorships 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 or companies/organisations and individuals with political party affiliations or memberships. Sponsors should not be sought from organisations involved in the business of pornography 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 the Council or where the proposed agreement would contravene any section of the Local Government Act 1993 or where the proposed arrangement may expose Councillors, the 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 Council is aware of the possibility of an application or matter coming before the 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.

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

4. Principles

The City of Canada Bay 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 City of Canada Bay community. Council is also committed to supporting through partnership agreements various projects, events, services and activities which provide benefit to the City of Canada Bay 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, it will do so in a professional and coordinated manner that will withstand scrutiny and complies with Council's Code of Conduct standards. When Council agrees to sponsor a project, event, service or activity it will do so in a professional and coordinated manner that will withstand scrutiny and complies with Council's Code of Conduct and Statement of Business Ethics.

Council will consider engaging in sponsorship agreements where:

- Connection with a reputable sponsor could enhance that City's image and reputation;
- Sponsorship could make it possible for Council or a company/organisation¹ 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; and
- Sponsorship could achieve greater community awareness or public profile for Council, a particular service, program or product, than may otherwise have been possible.

Council will not undertake sponsorships that:

- Require or imply any Council endorsement of commercial products, services, companies, political parties or individuals;
- Limit Council's ability to carry out its legislative functions fully and impartially;
- Restrict access to the Council's community assets, such as sporting fields, by the widest audience possible;
- Are not consistent with Council's social justice principles of equity, participation, rights and accessibility for all groups in the community;
- Personally benefit individual Council employees, or their friends/family;
- Allow ownership and control of the sponsored asset to be removed from Council;
- Pose a conflict with the broader policies and practices of Council; and
- Pose a conflict between the objectives and values of Council and those of the Sponsor.

5. Risk management and assessment of sponsorship proposals

A risk assessment of each potential cash or in kind sponsorship arrangement will be undertaken to determine if any risks are posed by the arrangement and assess whether these risks are acceptable or can be managed.

When companies/organisations express an interest in sponsoring a Council initiative they will be required to complete the 'Proposal to Sponsor City of Canada Bay' form to enable Council to proceed with a risk assessment of the sponsorship arrangement prior to confirming the sponsorship agreement. The 'Proposal to Sponsor City of Canada Bay' form must be signed off by the General Manager. In the case of recurring sponsorship, the 'Proposal to Sponsor City of Canada Bay' form must be completed by each potential sponsor each financial year.

¹ Company/organisation may include individuals who may wish to sponsor a Council initiative.

Potential sponsors of Council's initiatives will be assessed against criteria which are made available to all interested parties in the 'Proposal to Sponsor City of Canada Bay' form. Each potential sponsor's past and current commercial connection to Council should be considered by the Manager, CPR.

When companies/organisations invite Council to sponsor a project or undertaking, they will be required to complete the 'Seeking Sponsorship from City of Canada Bay Council' application form, which contains a risk assessment of the proposed sponsorship arrangement.

Invitations to Council to sponsor external initiatives will be assessed against criteria which 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 community.

When a risk assessment of a potential sponsorship agreement is undertaken and no risk is identified, the sponsorship agreement can be established and arrangements commence. When the risk assessment identifies a potential risk to Council, the matter will be referred to Council's General Manager who will determine whether the sponsorship agreement should proceed.

6. Roles, responsibilities and resources

Any Council officer wishing to engage in a cash or in kind sponsorship arrangement of any value with an external company/organisation should refer to the 'Seeking Sponsorship Guidelines' for staff and must liaise with the Marketing and Sponsorship Coordinator to ensure consistency, good administration and recording of sponsorships and to guarantee Council's Sponsorship Policy and guidelines are followed.

After working with the Marketing and Sponsorship Coordinator and Manger, Communications and Public Relations, the final approval for all sponsorship agreements rests with the General Manager of the City of Canada Bay.

7. Suitable activities for sponsorship

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

8. 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 bodies;
- companies/organisations who provide goods and services which are required by and benefit Council and the community of Canada Bay; and
- companies/organisations (and their directors/management) which do not have any political affiliations or are members of any political parties.

9. Guidelines for seeking sponsorship

When Council is seeking sponsorship support a sponsorship proposal should be developed which clearly outlines the nature of the project, why it is being proposed, the benefits to potential sponsors and to the City of Canada Bay, and 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 a twice-yearly advertisement in the Mayor's column in the local Inner West Courier and other relevant publications (where appropriate) calling for expressions of interest to sponsor a number of activities in the City of Canada Bay. Sponsorship opportunities may also be communicated through Council's website and through advertisements in suitable media outlets.

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

The Marketing and Sponsorship Coordinator is available to assist Council officers with preparation of promotional material, and the development of sponsorship proposals and agreements.

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

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

11. Personal benefits

No Council officer or Councillor or their relatives or partners should seek or receive a personal benefit or 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.

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 relationship.

13. Administering sponsorship agreements

All information including incoming sponsorship expressions of interest, evaluation documents, emails and agreements should be kept on official Council records. Details should be included in a database of all sponsorships and copies of the proposal, agreements and other documents should be forwarded to Council's Marketing and Sponsorship Coordinator to facilitate consistency and coordination of sponsorship throughout the organisation. The Marketing and Sponsorship Coordinator is responsible for maintaining a file of this documentation for reference on behalf of the organisation.

A sponsorship database detailing all sponsorship agreements must be kept up-to-date.

Where cash or in-kind products or services are supplied for the purposes of a sponsorship or donation towards a Council event or activity with a value of less than \$100, a signed sponsorship agreement is not required. In all cases the Council

Officer negotiating the sponsorship or donation must document the details of the received goods or services in writing and record correspondence in official Council records. The Council Officer negotiating the sponsorship or donation must notify the Marketing & Sponsorship Coordinator for inclusion in the sponsorship database.

Where cash or goods supplied through a sponsorship arrangement are for the value of \$100 or above, a sponsorship agreement (attached as Appendix A) 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.

The final sponsorship agreement must be recorded in writing and signed by both parties within a specified deadline. 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 or forms of sponsorship acknowledgement, which will be available;
- 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 for the budget;
- any guidelines for the use of corporate logos or conditions for advertising, media and other publicity;
- 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; and
- any special conditions, which may apply.

Please note: sponsorship agreements that are not signed and sent back to Council within the specified deadline could be deemed void.

14. Managing donations

All donations made to Council must adhere to the following guidelines:

- All offers to donate or contribute are to be made in writing and addressed to the General Manager or delegated officer;
- Council and nominated staff will need to assess whether the donation can be used in the way the donor has requested prior to accepting the donation. This includes any public recognition or acknowledgement requested by the prospective donor;
- Council will only accept the donation of public facilities or contribution towards public facilities on public land where it is in the best interest of the community in general. This should be guided by Council's adopted and endorsed plans.
- Council staff will assess prospective donations (financial and non-financial) up to and including \$50,000
- Any proposed financial donations over \$50,000 or items believed to be valued in excess of \$50,000 will be assessed at a Council meeting as to whether it is deemed appropriate to accept such a donation. In the instance that Council assesses an offer, Council officers will supply all relevant documentation accompany a report to Council, with the decision publicly disclosed through Council's Business Paper.
- Council does not have deductible gift recipient (DGR) status. Non tax deductible receipts will be issued to donors. Donors will need to receive independent financial advice regarding tax and GST implications.

It is important that Council consider the reasons for the donation and assess this accordingly. It is equally important that Council investigates the entity that is making the donation. When considering whether to accept a donation, Council should consider the best interests of the public, public accountability, public perceptions and the potential risks as well as the potential benefits. Where Council accepts a donation, Council will respect the wishes of the donor as far as possible.

Examples of acceptable donations to Council may include, but not be limited to:

- Financial donations, including offers of donations of, or towards, public facilities on public land;
- Public facilities including buildings (kiosks, lights, shelters, sheds etc) and structures (benches, playground equipment, barbecues, walkways etc);
- Library books which meet accepted public library standards for content;
- Documents, photographs, memorabilia, artefacts, diaries and records of historical and/or cultural significance; and
- Artworks created by local artists for display in public places or which record events of local cultural/historical significance.

Examples of unacceptable donations may include, but not be limited to:

- Artworks that are deemed to be offensive or inappropriate for other reasons;
- Financial donations that may infer excessive restrictions or exclusivity of use or benefit to only the donor;
- Donations that may give the perception that the donor is seeking influence in relation to Council matters and decisions.

15. The role of councillors

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

16. Reporting

All sponsorships and donations will be listed in Council's Annual Report.

17. Review

This policy will be reviewed 12 months following its adoption and then every three years hence.