

STRATEGIC POLICY

Sponsorship (governance framework)

<p>Corporate Plan Reference:</p>	<p>8.1.1 Develop and implement a governance framework that provides transparent and accountable processes and enhances council's reputation</p> <p>3.1.1 Foster partnerships with governments, business and the community to encourage innovation and sustainability</p> <p>3.2.3 Support education, training and apprenticeship initiatives that help build skills within the region and retain young people</p> <p>4.2.4 Support community-based sport and recreation organisations and programs</p> <p>5.1.3 Provide targeted support and assistance to disadvantaged groups</p> <p>5.3.1 Support community programs and infrastructure that encourage interaction, contribute to place making and a sense of community</p> <p>5.3.3 Support community and neighbourhood celebrations, events and local festivals</p> <p>8.3.4 Advocate and explore funding opportunities and new models of funding for local Government</p> <p>8.5.1 Establish strong partnerships with all levels of government and create alliances with peak bodies and the community</p>
<p>Endorsed by Council on:</p>	<p>8 April 2010</p>
<p>Policy Owner and Department:</p>	<p>Manager Corporate Governance, Organisation Performance</p>

INTRODUCTION

Sponsorship is a commercial business arrangement involving the purchase (in cash and/or in kind) of the right to associate the sponsor's name, products or services with the sponsored organisation's activities (negotiated benefit) for an agreed period. It is a mutually beneficial contract with the desired outcome of positive tangible returns to all parties (Queensland Government Sponsorship Framework 2003).

The Sunshine Coast Regional Council ("Council") is responsible for delivering a wide and varied range of infrastructure, services, activities, and programs for members of communities within the Sunshine Coast region. Council also supports major and community events for the benefit of its local communities. To more efficiently and effectively deliver its planned outcomes and services, Council may enter into business arrangements, including sponsorship, to optimise commercial benefits for the region. Sponsorship may be utilised by Council to enable the development, extension or cost-minimisation of planned outcomes and services.

POLICY PURPOSE

The purpose of this policy is to:

- Provide a framework for determining when Council will enter into sponsorship arrangements,
- Ensure risks are managed and Council's reputation is upheld in the development, assessment, management, evaluation and reporting on sponsorship arrangements;
- Align sponsorship arrangements with Council's Corporate Plan; and
- Support strong financial management.

This policy and associated guidelines should be applied by departments when making decisions about sponsorship arrangements to ensure a transparent, accessible and consistent process across Council.

POLICY STATEMENT

Council may enter into sponsorship arrangements which provide specified or demonstrated benefits to the community and align with Council's vision, aspirations, priorities, and legislative requirements. Council may provide sponsorship in accordance with annual budget allocations and may consider receiving sponsorship which develops, supplements or offsets the cost of infrastructure, services, activities, programs and events.

POLICY SCOPE

This policy applies to all sponsorship arrangements entered into by Council, and includes both sponsorship provided by Council and sponsorship received by Council. This policy does not apply to community grants, donations, advertising, community partnerships, legal partnerships, or joint ventures.

DEFINITIONS

For the purpose of this policy, the following definitions apply:

Advertising

The communication of Council outputs and services to the public by using a medium commonly used for promoting ideas, goods or services and for which a fee is paid.

Community partnership

As defined in Council's Community Partnerships Policy.

Donation

Voluntary contribution without expectation of return.

Grant

Funds provided to a recipient through a formal program for a specified purpose, directed at achieving goals and objectives consistent with Council policy, where the recipient is selected on merit against a set of criteria. Grants are provided without expectation of commercial return. See also Council's Grants Policy.

Joint venture

Contractual business undertaking between two or more parties to engage in a specific project, normally for a short and specified term. The joint venture objectives may be to share strengths, minimise risks, and increase competitive advantages in the marketplace.

Legal partnership

Where ownership of an asset or initiative and the associated risks are shared between partners to the arrangement throughout the asset or initiative's life-cycle.

Negotiated commercial benefits

Benefits include the sponsor's right to be publicly recognised or have their name, product/s or service/s associated with the sponsorship recipient's service, program, event, activity, individual or infrastructure. Specific benefits may include, but are not limited to:

- Branding exposure (signage, promotional material, advertising, etc)
- Site/stall to promote or sell sponsor goods/services
- PA announcements
- Acknowledgment in speeches and media materials

- Invitation to participate in opening ceremony
- Inclusion of sponsor information in information packs

Sponsor

An individual or organisation that, for a specified term, provides a contribution in cash and/or in kind with the intention of receiving negotiated commercial benefits.

Sponsorship recipient

An individual or organisation that, for a specified term, receives a contribution in cash and/or in kind in return for providing negotiated commercial benefits to a sponsor. See also definition of “sponsor”.

Sponsorship

A contractual business arrangement under which a sponsor, for a specified term, provides a contribution in cash and/ or in kind (“contra”) in return for specified negotiated commercial benefits. Benefits purchased may include the right to public recognition or association with a service, program, event, activity, individual or infrastructure,

Sponsorship is different from grants funding, where money or goods are provided to recipients through a formally recognised program for a specified purpose, but with no expectation of commercial return. Further, sponsorship does not include a guarantee against loss and is also distinguished from other arrangements such as joint ventures, legal partnerships, donations, paid advertising and the supply of goods and services.

KEY PRINCIPLES

The following five key principles are to be applied when determining sponsorship arrangements in accordance with this policy.

1. Community benefit

All sponsorship activities must provide a specified cultural, social, economic, financial or environmental benefit to the community. Prior to entering into sponsorship arrangements, an analysis of community benefit should be undertaken.

2. Alignment

All sponsorship arrangements must align with Council’s strategic direction, vision, priorities and aspirations, as documented in Council’s Corporate Plan and be consistent with Council’s policies, including the Code of Conduct for Councillors and Employee Code of Conduct.

3. Risk management

Potential risks to Council will be assessed prior to entering into sponsorship arrangements in accordance with Council’s Risk Management Policy and Guideline. Some examples of the inherent risks in providing or receiving sponsorship commonly include:

- Conflicts of interest (actual or potential)
- Embarrassment to Council
- Direct or indirect personal benefits received by Councillors or staff
- Perceptions of being influenced by the sponsor/ sponsorship recipient
- Perceptions of endorsing the sponsor/ sponsorship recipient’s products/services

4. Open, accountable decision-making and financial management

Sponsorship will be sought and provided using transparent processes. All sponsorship arrangements will be subject to the provisions of the *Local Government Finance Standard 2005* and Council’s financial policies and guidelines. Accordingly, all sponsorship activities will be reported in Council’s Annual Report.

In the negotiation of sponsorship arrangements, the commercial value of the arrangement, including all cash and in-kind contributions, must be clearly identified and acknowledged. Sponsorship arrangements with a value under \$2,000 may be agreed to by an exchange of letters and arrangements of \$2,000 and over must be made by formal agreement.

5. Entrepreneurship and revenue raising

Sponsorship activities that present additional revenue raising opportunities for Council will be considered.

SUITABLE SPONSORS/ SPONSORSHIP RECIPIENTS

Council will only enter into sponsorship arrangements with proposed sponsors or sponsorship recipients if the objectives, activities and/or products of the sponsors or sponsorship recipients are compatible with Council’s legislative responsibilities, vision, mission, values, and policies. Council will not seek or accept sponsorship that Council considers is unethical, unlawful, improper, or inappropriate.

TYPES OF SPONSORSHIP

The types of initiatives that Council may consider for sponsorship arrangements include:

- Major events
- Community/ cultural events and programs
- Trade shows
- Industry awards and conferences
- Business awards and conferences
- Initiatives from other levels of Government

RESOURCES

Resources available for sponsorship and activities where it is intended to seek sponsorship will be planned in accordance with Council’s corporate planning, annual budget and operational planning processes.

APPROVAL OF AGREEMENTS

Outgoing sponsorship agreements with a value of \$10,000 and over and incoming sponsorship agreements with a value of \$50,000 and over, will be approved by Council. Outgoing sponsorship agreements with a value of less than \$10,000 and incoming sponsorship agreements with a value of less than \$50,000 may be approved by the Chief Executive Officer.

RELATED POLICIES AND LEGISLATION

- CMC Sponsorship Management Guidelines - Crime and Misconduct Commission (QLD)
- ICAC Sponsorship in the Public Sector - Independent Commission Against Corruption (NSW)
- Local Government Act 1993
- Local Government Finance Standard 2005
- Public Sector Ethics Act 1994
- Trade Practices Act 1974
- Code of Conduct for Councillors
- Employee Code of Conduct
- Grants Policy
- Community Partnerships Policy
- Sponsorship Received by Council (Incoming) Organisational Guideline
- Sponsorship Provided by Council (Outgoing) Organisational Guideline

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Eg. Create new			DD/MM/YYYY
	Eg. Review			