

**POLICY NAME:** CORPORATE SPONSORSHIP  
**POLICY REF:** C08  
**MEETING AMENDED:** 23 September 2010  
Resolution No. 230910/23  
**POLICY HISTORY:** 190106/035



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### **OBJECTIVE**

To formalise general principles when negotiating and implementing sponsorship agreements. To outline the mechanisms Council will use to achieve sponsorship of its services, functions and programs - and the provision of assets.

### **BACKGROUND**

This policy was created in accordance with publications produced by the NSW Independent Commission Against Corruption (ICAC) to minimise public sector corruption in properly managing private sector sponsorship of the public sector.

This policy was also developed in the main to handle sponsorship requests for Council organised events.

### **DEFINITIONS**

ICAC            Independent Commission Against Corruption

### **SCOPE OF POLICY**

This policy applies to:

- General Manager
- Delegated staff members.

### **RELATED DOCUMENTATION**

This policy should be read in conjunction with:

- ICAC - Sponsorship in the Public Sector (May 2006)
- Council's Community Strategic Plan.

### **POLICY**

#### **General Principles**

1. The General Manager, or an officer authorised by the General Manager, has the authority to seek and negotiate corporate sponsorship agreements.
2. Any consideration given to the establishment of sponsorship agreements shall have regard to the following:
  - (i) realistic servicing of the sponsorship by Council
  - (ii) the maintenance of a consistent and professional image of Council and the sponsor within the community at all times
  - (iii) ICAC sponsorship principles (as an appendix to this policy)
3. Sponsorship agreements are to be developed to reflect the objectives of the Community Strategic Plan.

4. Ballina Shire Council will approve the negotiation of sponsorship agreements with any company, partnership or sole trader who wishes to participate in this program and which is a reputable organisation whose public image, products and services are consistent with the values, goals and specific policies of local government in the Ballina Shire. Specifically, the following are excluded:
  - (i) companies, partnerships or sole traders involved in the manufacture, distribution and wholesaling of tobacco related products
  - (ii) companies, partnerships or sole traders involved in the manufacture, distribution and sale of addictive drugs
  - (iii) companies, partnerships or sole traders who have been found guilty of illegal or improper conduct by ICAC or any other legal authority
  - (iv) companies, partnerships or sole traders whose services or products are considered to be injurious to health, or are seen to be in conflict with Council's policies and responsibilities to the community
  - (v) companies, partnerships or sole traders involved in a competitive tender or purchasing process at the time of sponsorship or thereabouts
  - (vi) each project will be assessed on the individual merits of the sponsor and the items to be sponsored.
5. Alcohol related sponsorship may be accepted providing such sponsorship is not directly linked to activities, assets, facilities or services for young people under the age of eighteen years.
6. Funds raised through sponsorship of specific expenditure items, which are included in the current budget, should be used solely for that purpose.
7. Sponsorship is to be of a discreet and tasteful nature.

### **Recognition – Mechanisms**

Ballina Shire Council will recognise corporate sponsors in a number of ways.

The extent of such recognition will be determined in relation to the level and nature of the sponsorship. Such forms of recognition could include, but is not be limited to:

- (i) appropriate signage of the sponsored item
- (ii) media release and seeking of associated media opportunities
- (iii) invitations to selected Council functions
- (iv) annual function for sponsors
- (v) printing of the sponsor's name in Council's Annual Report and other external publications
- (vi) naming rights for an event, building etc for the term of the sponsorship
- (vii) award or trophy struck in the sponsor's name and publicly presented
- (viii) right to use the asset, service, event, name and logo etc in sponsor's advertising and sales promotion in a form and on occasions to be mutually agreed
- (ix) event facilities, which may include hospitality, free preferential seats, event functions, award presentation, car parking, VIP functions etc

- (x) merchandising of goods at selected points of sale
- (xi) static display in the foyer of Council's Customer Service Centre, Libraries and other community buildings
- (xii) professional footage and photography of the asset, service, event etc. for use by the sponsor in a form to be mutually agreed
- (xiii) to use the asset or facility, subject to approval in each individual case, in static displays or for an activity of the sponsor when not required for Council's use
- (xiv) opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising by Council; and
- (xv) annual print advertising campaign to thank major sponsors.

### **Sponsorship – Procedure**

1. Council will make sponsorship opportunities known through one of the following methods:
  - a) Council calling for expressions of Interest for sponsorship of Council's assets, services, functions and programs when funding is sought from a single sponsor for a project (a number of potential sponsors may also be targeted before expressions of Interest close).
  - b) If interest in a project would be restricted to sponsors with highly specialised characteristics then more direct methods such as sending out letters and proposals to an attracted set of sponsors is appropriate. The widest selection of specialised sponsors should be contacted in this case. Reasons for not advertising expressions of interest should be thoroughly documented to dispel any possible suggestions of impropriety
  - c) If a potential sponsor approaches Council with a project, either (a) or (b) should be followed depending on appropriateness. Council may, on exceptions not follow (a) or (b) however reasons for this must be documented. Also where (a) or (b) has not been followed details of the sponsorship must be publicly exhibited.
2. On receipt of an expression of interest the criteria (predetermined) for sponsorship will be sent to the respondent together with any other material that Council considers necessary
3. Should the parties intend to enter into a sponsorship arrangement after registrations have occurred, the parties will execute a written formal contract. The contract should be the entire arrangement between the parties and no privileges for either party shall exist outside the agreement.
4. The sponsorship:
  - (i) must not conflict or be seen to conflict with the objectives and policies of the Council and those of the sponsor
  - (ii) should not impose or imply conditions that would limit the Council's ability to carry out its functions fully and impartially
  - (iii) will not involve explicit endorsement of the sponsor or its products

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- (iv) will not control or influence in any way any other dealings between the parties
- (v) may be terminated by the Council if any of the above situations occur. In particular:
  - a) if Council is asked to make a determination in respect of an application made to it by the sponsor for approval under a statute which requires the exercise of Council's discretion then the Council will have the right to terminate the sponsorship agreement and no party shall be entitled to claim compensation. The Council may also seek appropriate independent advice on the merits of the application, whether it ought to be approved and, if so, on what conditions;
  - b) if Council is required to exercise its regulatory functions and serve a notice pursuant to a function on the sponsor the contract will be terminated without the right of either party to claim compensation.
- 5. The value of the sponsorship in dollar terms, the length of the sponsorship and the type of asset, service, function or program being sponsored will determine benefits accorded to sponsors

Sponsorship benefits will vary depending on the project and the amount of sponsorship from any one sponsor.

### **REVIEW**

This policy is to be reviewed four years.

### APPENDIX – ICAC SPONSORSHIP PRINCIPLES

The ICAC publication *Sponsorship in the Public Sector (May 2006)* outlines the following ten 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.<sup>1</sup>
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.

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Ballina Shire Council

(DRAFT REVIEW) Corporate Sponsorship Policy

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### **OBJECTIVE**

To formalise the general principles that will be followed by Council when negotiating and implementing sponsorship agreements both to and by Council.

### **BACKGROUND**

This policy was created in accordance with publications produced by the NSW Independent Commission Against Corruption (ICAC) to minimise public sector corruption in properly managing private sector sponsorship of the public sector.

The policy originally only dealt with sponsorship sought by Council to assist in offsetting the cost of Council organised events. However the policy has now evolved to outline the principles that will be followed by Council when negotiating sponsorship provided to Council and also for when Council provides sponsorship to another party.

### **DEFINITIONS**

Sponsorship	For the purposes of this policy sponsorship is defined as a cash and / or in-kind fee or service provided to another party in return for access to the commercial potential associated with an activity or events being undertaken by that other property. Sponsorships may be approved by resolution of Council or by the General Manager or by staff with delegations to approve sponsorships.
Donation	The significant difference between a sponsorship and a donation is that a donation is a cash and / or in-kind fee or service provided with no expectation of return. Donations must be approved by resolution of Council in accordance with Section 356 of the Local Government Act.

### **SCOPE OF POLICY**

This policy applies to:

- Councillor employees
- Councillors
- Sponsors

### **RELATED DOCUMENTATION**

This policy should be read in conjunction with:

- ICAC - Sponsorship in the Public Sector
- Council - Donation Policies (various)
- Council - Community Strategic Plan, Delivery Program and Operational Plan



### **POLICY**

#### **General Principles**

1. The General Manager, or an officer delegated by the General Manager, has authority to seek and negotiate sponsorship agreements to Council and to provide sponsorship on behalf of Council
2. Any consideration given to the establishment of sponsorship agreements shall have regard to the following:
  - (i) realistic servicing of the sponsorship by Council
  - (ii) the maintenance of a consistent and professional image of Council and the sponsor within the community at all times
  - (iii) ICAC sponsorship principles (as an appendix to this policy)
3. Sponsorship agreements are to be developed to reflect the objectives of the Community Strategic Plan, Delivery Program and the annual Operational Plan.
4. Council approves the negotiation of sponsorship agreements with any company, partnership or sole trader, which is a reputable organisation whose public image, products and services are consistent with the values, goals and specific policies of Ballina Shire Council. Specifically, the following are excluded:
  - (i) companies, partnerships or sole traders involved in the manufacture, distribution and wholesaling of tobacco related products
  - (ii) companies, partnerships or sole traders involved in the manufacture, distribution and sale of addictive drugs
  - (iii) companies, partnerships or sole traders who have been found guilty of illegal or improper conduct by ICAC or any other legal authority
  - (iv) companies, partnerships or sole traders whose services or products are considered to be injurious to health, or are seen to be in conflict with Council's policies and responsibilities to the community
  - (v) companies, partnerships or sole traders involved in a competitive tender or purchasing process at the time of sponsorship or thereabouts
5. Alcohol related sponsorship may be accepted providing such sponsorship is not directly linked to activities, assets, facilities or services for young people under the age of eighteen years.
6. Sponsorship is to be of a discreet and tasteful nature.
7. Sponsorship must not conflict or be seen to conflict with the objectives and policies of Council
8. Sponsorship should not impose or imply conditions that would limit the Council's ability to carry out its functions fully and impartially

#### **Recognition mechanisms for sponsorship provided to or by Council**

Council can recognise or receive sponsorship in a number of ways and the extent of such recognition will be determined by the level and nature of the sponsorship.

Such forms of recognition could include, but not be limited to:

- (i) signage
- (ii) media opportunities and general advertising
- (iii) invitations to functions
- (iv) printing details in publications
- (v) naming rights
- (vi) awards or trophies
- (vii) right to use an asset, service, event, name and logo etc
- (viii) event facilities, which may include hospitality, free preferential seats, event functions, award presentation, car parking, VIP functions etc
- (ix) merchandising of goods at selected points of sale
- (x) static displays etc

### **Sponsorship – Procedures**

#### ***Council Seeking Sponsorship***

1. Council will make sponsorship opportunities known through one of the following methods:
  - (a) Council calling for expressions of Interest for sponsorship of Council's assets, services, functions and programs when funding is sought from a single sponsor for a project (a number of potential sponsors may also be targeted before expressions of Interest close).
  - (b) If interest in a project would be restricted to sponsors with highly specialised characteristics then more direct methods such as sending out letters and proposals to an attracted set of sponsors is appropriate. The widest selection of specialised sponsors should be contacted in this case. Reasons for not advertising expressions of interest should be thoroughly documented to dispel any possible suggestions of impropriety
  - (c) If a potential sponsor approaches Council with a project, either (a) or (b) above should be followed depending on appropriateness. Council may, on exceptions, for example commercial reasons, not follow (a) or (b) however reasons for this must be documented.
2. On receipt of an expression of interest the criteria (predetermined) for sponsorship will be sent to the respondent together with any other material that Council considers necessary
3. Should the parties intend to enter into a sponsorship arrangement after registrations have occurred, the parties will execute a written formal contract. The contract should be the entire arrangement between the parties and no privileges for either party shall exist outside the agreement.
5. The value of the sponsorship in dollar terms, the length of the sponsorship and the type of asset, service, function or program being sponsored will determine benefits accorded to sponsors

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### ***Council Providing Sponsorship***

1. If Council is approached to provide sponsorship, proposals may be determined by the General Manager, or alternatively the proposal can be reported to the elected Council for determination.
2. In determining applications the General Manager will assess:
  - a) whether the proposal is consistent with this policy and other Council policies
  - b) if the proposal represents best value to the community
  - c) whether the expenditure of public monies in the manner proposed is the highest priority use of monies available
3. Decisions in respect to sponsorship by Council are not be confused with donations, where there is not any expectation of a direct benefit back to Council. Donations must be approved by the elected Council in accordance with Section 356 of the Local Government Act.

### **REVIEW**

This policy is to be reviewed four years.

### APPENDIX – ICAC SPONSORSHIP PRINCIPLES

The ICAC publication *Sponsorship in the Public Sector (May 2006)* outlines the following ten 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.<sup>1</sup>
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.