



POLICY

SPONSORSHIP BY PRIVATE COMPANIES ON COUNCIL PROPERTY/PUBLIC EVENTS

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1 Introduction

This policy has been developed to provide a transparent process in the interest of public accountability and outlines the principles Council will follow when seeking or receiving sponsorship. This Policy provides a framework for use by Council staff, as well as providing information for potential sponsors about partnerships with Council.

Council provides facilities and delivers events which contribute to the wellbeing of its community. Through sponsorship, Council can reduce the cost of current activities or programs or enhance the range and scope of activities or programs that it provides. It can do this by providing benefits to private sector companies and other government agencies in exchange for money, goods or services to support its activities.

Sponsorship must be consistent with the strategic direction, purpose, vision and values of Council and derive benefits for the Council and the Mitchell community.

2 Purpose/Scope

2.1 Purpose of this Policy

The purpose of this Policy is to provide:

- A professional and consistent approach across Council in sponsorship matters
- Guidance to those evaluating external sponsorship offers on behalf of Council
- Guidance to those seeking sponsors on behalf of Council

2.2 Rationale

Council seeks to achieve sponsorship to:

- Increase resources, whether cash or other contributions, into Council services, programs and facilities
- Establish Strategic partnerships with other organisations

Sponsorship is a reciprocal commercial arrangement between Council and an organisation or individual which has been entered into for the mutual benefit of both parties. Sponsorship may be in the form of cash contributions, in-kind support or a combination of both. The benefits to sponsors can include building brand recognition, good corporate citizenship or building connections with a local community.

A sponsor may be an individual, organisation, company or other government agency.

3 Policy

Mitchell Shire Council supports the use of appropriate sponsorship to maximise financial and in-kind support to identified activities and events. All sponsorship arrangements will be undertaken in a professional and co-ordinated manner, and in accordance with Council policies.

Council will seek appropriate sponsorship for its facilities and events in accordance with the guidelines set out in *Appendix 1*.

This Sponsorship Policy does not apply to:

- Joint ventures
- Grants, gifts or donations.

3.1 Restrictions on Sponsorship Agreements

Potential sponsors of Council facilities or events should ideally be based within the municipality, or have an existing branch or outlet located within Mitchell Shire. Potential sponsors may also be conducting or seeking to conduct business, or investing or seeking to invest within Mitchell Shire.

Council will not allow a sponsor to determine the content of a service or event. Entering into a Sponsorship Agreement with Mitchell Shire does not imply that Council endorses the product or services of the sponsor. This philosophy will be clearly stated in all sponsorship agreements.

3.2 Appropriate Sponsors

Mitchell Shire Council will only enter a sponsorship arrangement with a business or individual whose image is consistent with the values and policies of Council. In determining whether it should enter into a sponsorship arrangement, Council will be mindful of how such a partnership would be viewed by the Mitchell community.

Specifically, the following sponsor categories are excluded from Council consideration:

- Tobacco or related sponsorship

In the interests of public health, Council will not accept sponsorship for any events, facilities, services or publications if such sponsorship might encourage the use of tobacco related products.

- Gaming/Gambling sponsorship

In the interests of public health, Council will not accept sponsorship for any events, facilities, services or publications if such sponsorship might encourage the use of gaming/gambling related products.

- Alcohol or related sponsorship

In the interests of public health, Council will not accept sponsorship for any events, facilities, services or publications if such sponsorship might encourage the use of alcohol related products.

In addition to these exclusions, Council will not:

1. Accept sponsorship exceeding \$500 from any individual, organisation or company which has a matter pending decision by Council without prior consultation with the Chief Executive Officer;
2. Accept any new sponsorship from any individual, organisation or company which intends to tender for advertised tender opportunities at Mitchell Shire;
3. Enter into a sponsorship arrangement with entities that Council may have to inspect or regulate, unless the relationship is clearly recorded in Council's sponsorship register; and strategies to ensure open, accountable and impartial regulatory and/or inspection responsibilities are specified clearly in the sponsorship agreement and within the sponsorship register.
4. Enter into a sponsorship arrangement with any person or entity or which has been found guilty of any criminal conduct by a court or other legal authority;
5. Accept sponsorship from a sponsor whose products or services conflict with Council's values;
6. Enter into a sponsorship agreement with an individual or organisations that have the potential to become controversial or reflect negatively on Council.

3.3 Naming Rights – Facility or Event

Naming rights to a Council facility or event are negotiable with Mitchell Shire Council, however, the contribution from the sponsor must be considered significant in relation to Council's contribution to the facility or event. Naming rights, if given, will be fixed for a period in time to be negotiated, following which a new sponsorship will be required to be negotiated.

4 Policy Management

To ensure transparency in the implementation of this policy, responsibility for enforcing this policy will rest with Council's Manager Finance or Delegate.

The Manager Finance or Delegate will:

- Ensure all Council staff are aware of this policy
- Maintain a database of sponsorships, including retaining copies of sponsorship proposals and executed agreements.

4.1 Sponsorship Co-ordination

A whole-of-Council approach to sponsorship procurement is supported. When seeking sponsorship from an organisation, a Council officer will:

- Check the sponsorship register to determine whether an organisation has already provided sponsorship previously.
- Liaise with the responsible Council officer on any previous sponsorship arrangements to seek advice and co-ordination in relation to the approach to the potential sponsor.
- Where the sponsorship procurement relates to media outlets, seek the approval of the Manager Economic Development, Marketing & Communications prior to making an approach.
- Be mindful to co-ordinate sponsorship procurement where multiple requests may occur from Council.

4.2 Approval for seeking and accepting sponsorship

Subject to 4.1 above, Council staff may seek sponsorship for a Council activity or facility relevant to their area of operation with prior approval based on the following approval parameters:

Amount of Sponsorship Package	Approval Required
Under \$5,000	Manager
Over \$5,000	Director

4.3 Public Reporting & Transparency

All information regarding the sponsorship proposal and any agreement entered into will be available to the public upon request. The sponsorship register will also be available for inspection upon request.

All sponsorship packages exceeding \$10,000 in value will be acknowledged in Council's Annual Report.

4.4 Conflict of Interest

No Councillor or employee of Mitchell Shire Council may receive any personal benefit from a sponsor/sponsorship arrangement. Council staff, in all dealings with potential or existing sponsors, will conduct themselves in accordance with Council's *Employee Code of Conduct*.

4.5 No endorsement implied

No sponsorship arrangement entered into implies Council's endorsement of a commercial organisation, products, services or individuals.

4.6 Sponsorship Agreement

Sponsorship Agreements constitute a legal contract between both parties and will be administered as such. Agreements will state specific arrangements and benefits between both parties. Examples of various forms of Sponsorship Agreements are provided as Appendix 2.

4.7 Disputes

Every reasonable effort will be made to amicably settle any dispute between Council and the sponsor arising out of any dissatisfaction with the sponsorship arrangement.

4.8 Termination of Sponsorship Agreement

Council or the sponsor may terminate any sponsorship agreement if either party:

- Engages in any activity that contravenes this policy
- Compromises the aims and objectives of either organisation
- Becomes bankrupt, goes into receivership or liquidation.

APPENDIX ONE

GUIDELINES FOR SEEKING SPONSORSHIP PROCUREMENT AND MANAGEMENT

1 Planning Stage

Council officers should have a clear understanding of the event, property or facility that they are trying to secure sponsorship for. Identifying some key elements of the event, property or facility could include:

- The target audience (i.e. youth, seniors, tourism, etc.)
- Its objectives (i.e. arts focus, health focus, sports focus, etc.)
- Its exposure (i.e. advertising, PR generated, etc.)
- The expected outcomes
- Differentiating it from other similar events, properties or facilities (i.e. does it have a point of difference?)
- Program details

Council officers should be aware of the strengths of the product they are seeking sponsorship for (be it an event, a property or a facility) and sell these to potential sponsors.

Determining the key elements of the event (as an example) allows consideration to be given as to the number of sponsorship opportunities that may be able to be offered.

2 Identify potential sponsor benefits

Tangible benefits could include:

- Exposure through marketing campaigns (fliers, print media, radio, posters and signage, etc.). Highlight the quantities and distribution of such marketing.
- Brand recognition possibilities (i.e. logo exposure, MC acknowledgement, signage on-site, website links, etc.)
- Corporate hospitality (i.e. free tickets or passes to events)
- First right of refusal for future sponsorship opportunities
- Logos included on uniforms or equipment
- Product sampling or placement

Intangible benefits could include:

- Increasing brand awareness
- Good corporate citizenship
- Providing volunteering opportunities for sponsor's staff
- Aligning a sponsor's brand with a highly valued Council program or event
- Identifying potential sponsors

3 Identifying potential sponsors

When identifying potential new sponsors, consideration should be given as to whether those organisations have a complementary message to Council's event, property or facility. Council officers should seek out organisations that will actually benefit from the proposal, not just big companies that may have big budgets.

All potential sponsors should be thoroughly researched to ensure that they are not restricted as determined by the policy guidelines.

Prior to approaching any potential sponsor, the sponsorship database should be checked to identify any previous approaches that may have been made, or if any agreements already exist between the organisation and Council.

If a sponsorship relationship has previously existed between the organisation and Council this should be acknowledged in any initial contact (either in a covering letter, email or phone conversation).

4 Preparing a sponsorship proposal

Organisations you approach potentially receive numerous sponsorship proposals so your proposal needs to be presented in a way that is easily digestible and presents a professional image for Mitchell Shire Council.

Your proposal should include the following:

- i. How the sponsor's logo will be used
- ii. Detail the size and position of the sponsor's logo on any printed material
- iii. List any corporate hospitality included with the sponsorship
- iv. Whether the sponsor is the sole sponsor
- v. Whether the sponsor is a major (or other relevant level) sponsor
- vi. The amount, form and delivery of sponsorship payments
- vii. Any obligations to seek authorisation from the sponsor for media releases or publicity material
- viii. The sponsor having the right to use Council's name and logo as part of any reciprocal marketing arrangements.

5 Accepting a sponsorship offer

The sponsorship must be documented in an agreement between the parties. This ensures that each party is aware what the sponsorship arrangement provides for.

The agreement should specify:

- i. The objectives of the sponsorship arrangement
- ii. A clear description of the event, property or facility being sponsored
- iii. The names of all parties to the Agreement
- iv. The terms of the sponsorship and any conditions regarding renewal (if any)
- v. The benefits accruing to the sponsor
- vi. That Council has the right to veto the contents of any articles or advertising material developed by the sponsor to ensure it does not imply endorsement by the council
- vii. That Council has final control over sponsored events
- viii. That sponsorship should not be regarded as a general endorsement of the sponsor's business activities
- ix. Liaison personnel both within Council and with the sponsor
- x. Financial accountability requirements
- xi. Reporting requirements of both parties
- xii. The ownership and use of any intellectual property created as a result of the sponsorship
- xiii. Refund or replacement arrangements if in the case of an event postponement or cancellation
- xiv. Termination clauses, particularly where a sponsor becomes subject to a Council investigation, or if their actions could reflect badly on Council

6 Managing the sponsor relationship

Maintaining and growing relationships with sponsors is just as important as securing it in the first place. It is essential to be able to go back to the same sponsor the next year to ask for their involvement again and to ensure trust is developed to ensure the sponsor is confident in partnering with Council again.

Sponsors must receive regular communication about the project sponsored and be provided with every benefit documented in the signed agreement.

7 Evaluation

A post event/project review should be undertaken. Sponsors should be sent a letter of appreciation from the Mayor and Councillors following the event/project launch, an evaluation of the event's outcomes and an outline of how the sponsorship agreement was fulfilled by Council.

This report should include a snapshot summary of the activities undertaken, including copies of any media coverage, advertising materials or programs where the sponsor was recognised.

Adhering to this evaluation and reporting process will ensure Council is in a good position to approach the sponsor for future events or projects.

APPENDIX TWO EXAMPLE – SPONSORSHIP AGREEMENT



This Agreement is made between {insert sponsor name} and Mitchell Shire Council for {insert event/project name} for a period of {insert if required}.

Sponsorship benefits/rights

{add or delete as appropriate}

- Naming rights for {insert}
- Logo and brand being included on {specify extent of marketing material, i.e. size of print run for brochures, newspaper coverage, radio and print media advertising, web marketing, etc.}
- Introduction by MC at events and functions relevant to the sponsorship agreement
- Introduction to Mayor and Councillors
- Any other

Sponsor Investment

The sponsorship fee payable by the sponsor for the benefits granted by Mitchell Shire Council under this Agreement is \$_____ (exclusive of GST). The sponsorship fee is payable immediately on receipt of an invoice from Mitchell Shire Council.

Sponsorship Terms & Conditions

Mitchell Shire Council will provide a Tax Invoice for the taxable supply made by Mitchell Shire Council. Unless otherwise stated, all amounts payable under this Agreement are expressed to be exclusive of GST.

For {insert sponsor name} Signature: _____ Date: _____ Position: _____	For Mitchell Shire Council Signature: _____ Date: _____ Position: _____
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