

Corporate Sponsorship Policy

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Strategic Pillar	Corporate Services
Responsible Branch	Finance

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1 OUTCOMES

- 1.1 Provide Council officers with clear rules and guidelines for navigating corporate sponsorships.
- 1.2 Support corporate sponsorships where it is appropriate and in the interest of QPRC, especially in cases where Council programs may have become financially unviable if funded internally.
- 1.3 Minimise the reputational, financial, and ethical risks that Council is exposed to by undertaking corporate sponsorships.
- 1.4 Determine clear approval processes and clarify internal ownership of, and accountability for corporate sponsorship agreements.

2 POLICY

Policy Aims

There are two primary aims of the Policy:

- 2.1 To minimise the risks faced by Council when entering corporate sponsorship arrangements.
- 2.2 To support the utilisation of corporate sponsorships to deliver projects in a cost-effective manner, subject to the aims of 2.1.

Key Risks of Corporate Sponsorships

- 2.3 Council can potentially become exposed to significant risks when entering into corporate sponsorships as such arrangements involve QPRC's association with entities outside of Council's control, and who are themselves not accountable to the general public.
- 2.4 Significant risks include:
 - 2.4.1 Reputational risks due to association with inappropriate sponsors or due to the creation of a real or perceived conflict of interest.
 - 2.4.2 Risk of entering into agreements which either represent insufficient value-for-money, or are not successfully carried to completion.
 - 2.4.3 Risk of non-compliance with legislation, accounting standards or Council's Code of Conduct. Similarly, there is a risk that the corporate sponsorship will not align with Council's integrated planning documentation, or that sponsored services or projects are not fit for purpose.
 - 2.4.4 Risk of interfering with Council's regulatory function and/or limiting Council's capacity to deliver its own programs and services in an equitable, accessible, and impartial manner.

3 SCOPE OF THE POLICY

- 3.1 The Policy covers all agreements which match the definition of corporate sponsorships, found in section 4 of the Policy.
- 3.2 The Policy does not cover grants or unconditional gifts received by Council. Nor does it cover Council's donation programs under S.356 of the Local Government Act. These are covered by Council's separate Donations Policy.

4 DEFINITIONS

- 4.1 *Benefits to Council:* Resources— either monetary or in-kind - to enhance or offset the cost of producing Council events, administering programs, or providing services.

- 4.2 *Benefits to Sponsors:* The primary benefit for sponsors is a medium to reach a target audience, subject to restrictions in the Policy, as well as legislation and guidelines.
- 4.3 *Council official:* Includes Councillors, Council staff, administrators, Council committee members and delegates of Council.
- 4.4 *Project:* Refers to the activity (e.g. event, program or service) for which the sponsorship is being sought.
- 4.5 *Sponsor:* A sponsor is any organisation or individual providing resources to Council, for use in achieving Council objectives, in return for benefits.
- 4.6 *Sponsorship:* A contribution in money or in kind by an entity in support of an individual Council related activity, in return for an agreed benefit.

5 LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

- 5.1 Independent Commission Against Corruption: Sponsorship in the Public Sector (2006)
- 5.2 Code of Conduct (2022)

6 CONTENT

Corporate Sponsorship Agreement and Terms

- 6.1 All corporate sponsorship arrangements must be formalised in a sponsorship agreement, agreed to and signed between Council and the sponsors. The agreement must clearly state the obligations and rights, as well as the benefits accruing to both parties. This agreement is to be drafted and signed prior to implementation of the agreement.
- 6.2 Where appropriate, Council must include the following terms in any signed sponsorship agreements:
 - 6.2.1 Its logo is not used without its specific permission.
 - 6.2.2 The sponsorship deal is not regarded as a general endorsement by Council of the business activity of the other party.
 - 6.2.3 The sponsorship deal will not affect Council's ability to undertake its regulatory and compliance roles.
 - 6.2.4 Council continues to own the intellectual property that it has developed.
 - 6.2.5 Council information obtained by the other party during the sponsorship is kept confidential.
 - 6.2.6 No Councilors or Council Officers are to receive any personal benefits from sponsorships.
- 6.3 There are many other considerations that Council officers will need to take into account when drafting a sponsorship agreement to minimise the risks to Council outlined in section 2.4. Attached to this policy as Appendix A are agreement terms and considerations that Council officers may need to incorporate into any sponsorship agreement.

Additional Requirements – Sponsorships with a benefit greater than \$15,000

- 6.4 For corporate sponsorships with a total monetary and non-monetary benefit to Council of greater than \$15,000, additional agreement requirements are included to reflect the additional risks borne by Council.
- 6.5 These extra requirements include additional terms that must be added to the sponsorship agreement, specifically, (a) comprehensive budget of the sponsorship

agreement, (b) clearly stated outcomes arising from the agreement which align with Council's integrated planning and reporting, and (c) approval of the agreement by the CEO or a delegated officer.

Prohibited Corporate Sponsorships

- 6.6 Council should not enter into corporate sponsorship agreements, that:
 - 6.6.1 Imply Council's endorsement of the sponsor or any contentious community issues related to the sponsor, nor goods or services that the sponsor delivers as part of its day-to-day operations.
 - 6.6.2 Limit Council's capacity to deliver services or its regulatory function in an equitable, accessible, and impartial manner.
 - 6.6.3 Do not align with Council's policies and code of conduct, or council's strategic objectives or strategies outlined within its integrated planning documentation.
 - 6.6.4 Transfer control and ownership of the sponsored project to the sponsor.
 - 6.6.5 Do not represent sufficient value-for money for both Council and the sponsor, noting that the time taken to research and formulate the agreement should be included in any cost/benefit analysis of the corporate sponsorship agreement by QPRC.
 - 6.6.6 Sets terms and conditions that would not be provided to another entity entering into the same or similar sponsorship agreement.
 - 6.6.7 Involve sponsors in the field of politics.
 - 6.6.8 Involve sponsorship of Council's regulatory functions and activities or place any Council officer in an actual or perceived conflict of interest.
 - 6.6.9 Benefit Council employees or their family.
 - 6.6.10 Provide the sponsor with access to sensitive and/or restricted Council information.

Accountability, Approvals & Reporting

- 6.7 A council officer should be nominated for ownership of each sponsorship agreement. There should be a nominated council officer until the agreement has been completely discharged and finalised.
- 6.8 All sponsorship agreements must be recorded in a centralised Corporate Sponsorships register which must include the name of the sponsor, the project/event sponsored, the benefit of the sponsorship, and the responsible Council officer.
- 6.9 All sponsorships undertaken during the financial year, noting the name of the sponsor, and the event sponsored, will be listed in Council's Annual Report.
- 6.10 All corporate sponsorship agreements should be reviewed and agreed to by the CEO or a delegated officer.

7 REVIEW

- 7.1 This policy will be reviewed in November 2024 or earlier as necessary if:
 - a) legislation requires it, or
 - b) Council's functions, structure or activities change

APPENDIX A

Considerations and Terms to be Considered When Drafting Corporate Sponsorship Agreements:

- **Parties to the agreement:** Clearly stating the parties involved i.e. Council, sponsor and any other third party e.g. merchandiser).
- **The Property:** The exact nature of the program or event being sponsored and the details of any governing bodies or regulations pertaining.
- **Conditions Precedent:** Any conditions associated with sponsorship.
- **The Term:** Term of the sponsorship and renewal options for the sponsor. CPI to be factored into any renewal agreement.
- **Exclusively:** Details of the level of exclusivity are to be included e.g. sole, principal, major, minor sponsor or official supplier.
- **Granting of Rights:** The sponsor's right or otherwise to use the official event logo or the official event name in any of their advertising or promotional programs.
- **Advertising and Publicity:** The ownership of television rights must be stated. The description of advertising, other printed material, editorials, launches and the rights of the sponsor in terms of logo appearance must be defined. Also defined must be the rights of sponsors to display their logo on clothing worn by a celebrity commissioned to promote the program or event.
- **Signage:** State the sponsor's rights regarding signage (e.g. size, location and exclusivity). Council regulations must be stated.
- **Hospitality Rights:** State clearly the sponsor's rights in regards to any hospitality e.g. functions, ticketing, catered boxes/tents, etc.
- **Merchandising:** State clearly the owners of merchandising rights.
- **Payment:** Detail amount of payment or contra and dates for payments. List interest rates/penalties for late payments. State party responsible for payment of GST on contra item.
- **Termination:** List all grounds for termination of the sponsorship agreement to include: mediation methods, compensation, acts beyond the control of Council or sponsor.
- **Performance:** Indicate agreed levels of service by Council and sponsor and the details which Council will protect the sponsor from any ambush marketing.
- **Confidentiality:** State either party's desire for non-disclosure of sponsorship details.+
- **Taxation:** Sponsorship is subject to GST and it is Council's responsibility to ensure that appropriate tax is paid on sponsorship revenue.
- **Assignment:** State whether the sponsor can assign rights to a third party.
- **Warranties/Liability:** State who is responsible for insurance (public liability, wet weather etc). Indemnities agreed by Council and sponsor are to be identified.