

# Event Sponsorship Policy (Recipient)



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<b>APPROVAL</b>	Chief Executive Officer  21 September 2023
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<b>RESPONSIBLE EXECUTIVE</b>	General Manager Community Strengthening
<b>POLICY TYPE</b>	Organisational
<b>POLICY OWNER</b>	Manager Arts, Events & Libraries

<b>REVISION RECORD</b>	<b>Version</b>	<b>Revision Description</b>
<i>July 2012</i>	1	
<i>July 2015</i>	2	<i>Minor changes</i>
<i>November 2018</i>	3	<i>Minor changes – updates to advertising methods and delegations/authorisations</i>

## 1. Purpose

The purpose of this policy is to provide guidance to Council Officers on the issues and principles surrounding sponsorship arrangements which the Council may consider when receiving sponsorship to deliver events.

## 2. Scope

This policy applies to all sponsorship arrangements for events involving the Council, where Council acts as the recipient of sponsorship. These include what events the Council will make available for sponsorship, how much sponsorship will be sought and when arrangements will be agreed.

## 3. Governance Principles and Council Plan alignment

### 3.1 Governance Principles

Principle (b) - priority is to be given to achieving the best outcomes for the municipal community, including future generations.

Principle (g) - the ongoing financial viability of the Council is to be ensured.

Principle (i) - the transparency of Council decisions, actions and information is to be ensured.

This policy aligns with and has considered the Governance Principals.

### **3.2 Council Plan Alignment**

**Strategic Direction:** Liveable - Our city will be a vibrant, enjoyable, and easy place to live.

**Strategy:** Foster a thriving and innovative arts and culture scene, which is both diverse and inclusive.

This policy seeks to foster the arts and culture scene by supporting the operation of public events in the City of Kingston.

## **4. Policy Details**

### **4.1 Policy Statement**

Sponsorship proposals can bring significant benefits to Council and the community but there are a number of issues and risks associated with sponsorship arrangements. This policy aims to maximise the benefits that sponsorship can bring while minimising risk to the Council and community.

Council's aim and objective in seeking sponsorship is to provide a direct benefit to the City of Kingston by reducing the cost of the delivery of events through the provision of financial support or significant discount on goods or services, as long as that sponsorship will not harm or impact negatively on Council's reputation.

### **4.2 Corruption Prevention Principles**

In accordance with best practice, there are a number of principles that should be adhered to in the provision of sponsorship by Council.

1. The sponsorship should not impose or imply conditions which would limit, or appear to limit, Council's ability to carry out its prescribed functions fully and impartially.
2. There must not be a real or apparent conflict of interest between the objectives and mission of the Council and those of the sponsor. The values and objectives of the sponsor should not be in opposition to Council's values and objectives.
3. Council should not accept sponsorship from an organisation that is, or is likely to be, subject to regulation or inspection by their own department during the life of the proposed agreement. If sponsorship proposal is received by such an organisation, the proposal should be considered by a third party within Council who has no responsibility for regulation and inspection of the organisation and follow the processes and guidelines set out in this policy.
4. Council should not accept sponsorship during a tender process when the proposed sponsor is or may be deemed likely to submit a tender bid.
5. Council may accept sponsorship from existing suppliers where the proposed sponsorship is considered by a third party outside the relevant department and has no authority to make decisions on suppliers.
6. Council should make clear that acceptance of the sponsorship does not indicate that Council endorses the sponsoring individual or organisation and its brand or products, and should not accept sponsorship that requires endorsement to be made.

7. Council representatives must ensure that the sponsorship process is carried out in a fair and ethical manner and must:
  - maintain confidentiality in their dealings
  - ensure that their private interests do not conflict with their public duties
  - declare any real or potential conflicts of interest of a civic or personal nature
  - not receive a personal benefit in the form of gifts, cash or other favours from the sponsor.
  - manage any proposed hospitality in accordance with the Organisational Gift and Hospitality Policy.
8. Opportunities for organisations to sponsor Council events should be widely available.
9. A written sponsorship agreement should be prepared and agreed by Council and the sponsorship recipient and include terms listed in section 4.5 below.
10. A record must be kept of all sponsorship proposals and agreements, whether these were agreed or rejected.

### **4.3 Proposals**

Sponsorship may be attained through the deliberate seeking of sponsorship or through unsolicited proposals.

All unsolicited proposals will be considered in line with the principles, procedures and assessment criteria set out in this policy to ensure that there are no conflicts of interest and that the level of sponsorship offered is reasonable for the benefits requested. Where the proposal does not relate to an event or activity that would normally be considered as a sponsorship opportunity, the Council is not obliged to seek sponsorship from alternative sources.

There are two options which can be considered when deliberately seeking sponsorship. Council can inform potential sponsors that it is willing to receive sponsorship and negotiate the exact nature of the sponsorship as proposals are made or it can promote a particular event or activity as available for sponsorship.

Other options for seeking sponsorship are:

- Advertisement through appropriate print or digital channels, these should contain contact details and assessment criteria or a link to where information can be obtained.
- Expressions of interest for sponsorship of events, which are identified as appropriate for sponsorship during the budget planning process. Advertisements for expressions of interest should include contact details, assessment criteria and closing date or a link to where information can be obtained.
- Direct approaches may be made where advertising produces insufficient or inappropriate responses or where the nature of the event may be suitable for a particular industry sector. Council Officers should ensure that where this approach is chosen, the reason for the decision is clearly recorded to avoid claims of exclusions or favouritism from those not offered the sponsorship opportunity.
- Council Officers may approach a single sponsor where there is a history of sponsorship agreements for particular between the Council and the proposed sponsor.

The relevant Council Officer will record all solicited and unsolicited sponsorship proposals on a Sponsorship Record sheet.

#### **4.4 Assessment Criteria**

In conjunction with the principles and procedures outlined in this policy, the following considerations form the broad criteria upon which all sponsorship proposals will be assessed:

- Is the organisation and its proposal consistent with Council principles and objectives and that of the event being sponsored?
- Does the proposal provide a clear benefit to Council and/or the Kingston community by reducing or subsidising the cost of the event? If so, what is the value?
- Does the proposal have clearly defined objectives, which allow the Council and partner to evaluate the outcome and results?
- Is the proposal in line with the procedures as set out in this policy?

Where a number of sponsorship proposals have been received for the same Council event and the above criteria does not allow a clear preference to be determined, the following additional criteria will apply:

- Does one proposal offer a longer sponsorship arrangement?
- Is the organisation or individual based within the City of Kingston?
- Is the organisation or individual employed within the same sector as the event to be sponsored?

Is there a history of sponsorship between Council and the proposed sponsor? If yes, was this successful?

#### **4.5 Sponsorship Agreements**

In order to protect the Council's reputation and credibility, all sponsorship arrangements should comply with the principles and procedures set out in the policy.

A written agreement between Council and the sponsorship recipient should:

- Not include or imply conditions which would limit, or appear to limit, Council's ability to carry out its functions fully and impartially.
- Set out guidelines for the use of the sponsor's logos and brands, including approval of material which uses Council logos.
- State that unauthorised use of Council logos will result in the organisation being ineligible for future sponsorship.
- State that Council continues to own any intellectual property developed.
- Require the sponsorship arrangement keeps confidential any Council and/or community information obtained in the course of the agreement.
- Allow the agreement to be terminated by Council if there are any material changes which may impact negatively upon Council.

Sponsorship agreements are not required between Council and a sponsor organisation where only in kind support of less than \$2,000 is received, however Council Officers should obtain clear guidance regarding use of the sponsor's logos and brands.

#### **4.6 Payments**

Payment timeframes should be negotiated, and details of payment plans (if applicable) must be included in the sponsorship agreement.

It is recommended as a minimum; Council should negotiate adhering to the following timeframes in regards to payments:

- For sponsorship of \$5,000 or less, payment is to be made upon signing of the sponsorship agreement.
- For sponsorship of more than \$5,000, payment of 50% of the sponsorship amount is to be made on signing the agreement, with the further 50% to be no later than four weeks prior to event commencement.
- In the case of in kind sponsorships, the goods and/or services to be donated must be provided prior to the commencement of the project which is being sponsored.

All payments should be made to the City of Kingston, not to an individual working for or associated with the City of Kingston.

#### **4.7 Benefits**

No sponsor will receive benefits that are greater than and are fair and reasonable for the value of the sponsorship. The sponsorship agreement should clearly define what is considered to be a reasonable benefit and will be negotiated on an individual basis by the responsible Council Officer, who will also be responsible for the delivery of these benefits. Naming rights sponsorships will be considered on a case-by-case basis.

Council reserves the right to accept proposals from more than one sponsor where it is deemed appropriate unless an exclusivity agreement is made between Council and the sponsor.

#### **4.8 Exemptions**

Council will not accept sponsorship from organisations or individuals who:

- Are involved in the business of tobacco, e-cigarettes, pornography, or addictive drugs.
- Are involved in the business of gambling.
- Are involved in the business of alcoholic beverages, unless the organisation or individual is local to Kingston and the sponsorship is deemed appropriate for the event.
- Are involved in political fields (i.e. represent political parties for the purpose of promoting agendas)
- Have been found guilty of illegal or improper conduct by a legal authority.
- Have a decision pending with Council.

Council will not accept sponsorship where:

- The required resources to deliver the sponsored event are not available.
- The agreement involves the provision to the public of a product or service which has not been evaluated fit for purpose.
- The sponsorship may involve Council in controversial issues such as political or cultural sensitivities or exposes the organisation to adverse criticism.

## 5. Internal and External Assessments

### 5.1 Risk Assessment

This policy has been assessed by the relevant department and identified to have no medium to severe risks.

### 5.2 Delegation and Authorisation (Compliance Framework)

There are no delegated positions with responsibilities for this Policy.

### 5.3 Gender Impact Assessment

A Gender Impact Assessment is not required for this Policy.

### 5.4 Privacy Impact Assessment

A Privacy Impact Assessment is not required for this Policy.

### 5.5 Human Rights Charter

This policy has been reviewed against and complies with the Charter of Human Rights and Responsibilities Act 2006.

## 6. Roles and Responsibilities

Role	Responsibility
Chief Executive Officer (CEO)	Responsible for the approval of the Event Sponsorship Policy (Recipient)
Executive Leadership Team (ELT)	Review of the Event Sponsorship Policy (Recipient) prior to approval and adoption.
Manager Arts, Events & Libraries	Ensure that the Event Sponsorship Policy (Recipient) is developed and maintained in accordance with the policy framework.
Team Leader Festivals & Events	Responsible for ensuring the Festivals and Events team pursue and execute sponsorship in accordance with the Event Sponsorship Policy (Recipient).

## 7. Related documents

### 7.1 Legislation

- Local Government Act 2020
- Charter of Human Rights and Responsibilities Act 2006

### 7.2 Documents and resources

- Organisational Gift and Hospitality Policy
- Event Sponsorship Policy (Sponsor)
- Event Sponsorship Record
- City of Kingston Branding Guidelines

## 8. Definitions

Term	Definition
Sponsorship	<p>For the purposes of this policy, the term sponsorship is defined as a business relationship between a provider of funds, resources, or services and an individual, event or organisation which offers rights and associations that can be used for promotional advantage in return for the investment made.</p> <p>Sponsorship does not include gifts, bequests and donations or fees for services.</p> <p>Council may take the role of a recipient of sponsorship by accepting resources from an organisation or individual for use in directly achieving Council objectives, in return for specific benefits.</p> <p>Council may also act as a provider of sponsorship by providing resources to organisations for use in achieving Council objectives either directly or indirectly, however this is not relevant for this policy.</p>
Grants	<p>Refer to the provision of resources for the specific purpose of achieving objectives and are normally requested through programs which set out criteria by which applications are assessed. Council applies for grants from a variety of external sources and the appropriate procedure for these applications are not included within the scope of this policy.</p>
Partnerships	<p>A relationship between Council and an external organisation characterised by cooperation and joint responsibility for the achievement of a specific purpose. Partnerships do not require an equal contribution in terms of finance, resources or decision making but must include a shared understanding of the objectives and of the partnership and how these are to be achieved. Partnerships do not have an expectation of commercial benefit from either party.</p>
Donations	<p>Are defined as a gift of product, services, or funding with little or no expected return.</p>