



# **SPONSORSHIP POLICY**

Corporate Document

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## Sponsorship Policy

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### Purpose

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To guide the negotiation, approval and administration of agreements relating to external sponsorship of programs, projects and other initiatives delivered by Mosman Council.

### Objectives

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1. To provide opportunities for external parties to sponsor the delivery of Council programs, projects and other initiatives.
2. To attract and manage sponsorship in an ethical, open and transparent manner.
3. To formalise general principles to apply to the negotiation and implementation of sponsorship agreements.
4. To outline the mechanisms Mosman Council will use to achieve external sponsorship of programs, projects and other initiatives delivered by Council.
5. To apply principles and practices that are in accordance with the Independent Commission Against Corruption (ICAC) Sponsorship Principles.

### Scope

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This policy applies to all staff and Councillors of Mosman Council and to all external organisations and individuals seeking and entering into sponsorship agreements with Council.

### Definition

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For the purposes of this policy Mosman Council endorses the Independent Commission Against Corruption's (ICAC) Guidelines definition of sponsorship, as follows:

*“a contribution in money or kind, generally by the corporate sector or private individuals, in support of a public sector activity. It does not include the selling of advertising space, joint ventures, consultancies and gifts or donations where the reciprocal benefit provided by the government agency does not extend beyond some modest acknowledgement.”*

### General Principles

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1. All sponsorship agreements entered into by Council under this policy are, with the exception of those subject to a tender process or as otherwise provided by this policy, to be approved by the General Manager or an officer authorised by the General Manager.
2. The negotiation and approval of any sponsorship agreement shall have regard to the following:
  - (i) realistic servicing of the sponsorship by Council
  - (ii) maintaining a consistent and professional image of Council within the community at all times.
  - (iii) ICAC guidelines and sponsorship principles.

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3. Sponsorship agreements are to be consistent with the strategic objectives outlined in Council's Community Strategic Plan and associated Delivery Program.
4. Sponsorship agreements may be negotiated with any reputable organisation or individual who wishes to participate in this program and whose public image, products and services are consistent with the values, goals and policies of Mosman Council. Specifically, the following are excluded:
  - (i) Organisations or individuals involved in the manufacture, distribution and wholesaling of tobacco related products.
  - (ii) Organisations or individuals involved in the manufacture, distribution and sale of addictive drugs.
  - (iii) Organisations or individuals who have been found guilty of illegal or improper conduct by ICAC or any other legal authority.
  - (iv) Organisations or individuals 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.

Each project will be assessed on the individual merits of the sponsor and the items to be sponsored.

5. Alcohol related sponsorship may only be accepted where such sponsorship is not directly linked to activities, assets, facilities or services for young people under the age of 18 years.
6. Funds raised through sponsorship for specific programs, projects or initiatives should be used solely for that purpose.

## Probity Safeguards

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1. The terms of any sponsorship must not restrict Mosman Council's ability to carry out its regulatory functions fully and impartially.
2. Sponsorships will not be entered into with individuals or corporations where there is a real or apparent conflict of interest.
3. If Council has an active development application before it, made by or on behalf of a current sponsor, Council may choose to terminate the sponsorship agreement forthwith and no party shall be entitled to claim compensation. Council may alternately choose to have such application independently assessed.
4. If Council is required to exercise its regulatory functions and serve a notice pursuant to a function on the sponsor the contract may be forthwith terminated without the right of either party to claim compensation.
5. Council will not explicitly endorse sponsors or their products.
6. If sponsors' products or services are to be offered as a part of the sponsorship agreement, they will be evaluated objectively in accordance with Council's procurement procedures to ensure they are appropriate and meet Council's needs.
7. Councillors and Council staff must not seek or receive any personal benefit from, or related to a sponsorship agreement.

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8. Sponsorships will be based on a written agreement between Council and the sponsor and be assessed against predetermined criteria.
9. Sponsors will not be employed as contractors unless they have been selected through a competitive procurement process separate from the selection process for the sponsorship.
10. Forms of recognition or benefits will be appropriate to the extent and nature of the event or activity.

## Sponsorship Benefits - Sponsors

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Mosman Council will recognise its external sponsors in a number of ways.

The extent of such recognition will be determined having regard to the level and nature of the sponsorship. Specific benefits will be made available to potential sponsors with any Call for Expressions of Interest or outlined to the potential sponsors if a direct approach is made to or by Council. Such forms of recognition may include, but not be limited to:

- (i) Acknowledgement on signage relating to the sponsored program, project or initiative. Recognition might include the sponsoring organisation's company logo, but not advertising of any product or service. The scale and style is controlled so as not to detract from the visual amenity of any public space in which signage is located.
- (ii) Attribution on Council's web site or other online channels
- (iii) Mention in Council's Mayoral Column, local press, and/or other selected media
- (v) Media release(s) and seeking of associated media opportunities
- (vi) Invitations to selected Council functions
- (vii) Annual function for sponsors
- (viii) Printing of the sponsor's name and logo in Council's Annual Report and/or other external publications
- (ix) Naming rights for an event, building etc. for the term of the sponsorship
- (x) Award or trophy struck in the sponsor's name and publicly presented
- (xi) Right to use the relevant program, project or other initiative in sponsor's advertising and sales promotion in a form and on occasions to be mutually agreed
- (xii) Event facilities, which may include hospitality, free/preferential seats, event functions, award presentation, car parking, VIP functions etc.
- (xiv) Merchandising of goods at selected points of sale
- (xv) Static display(s) in Council facilities
- (xvi) Professional footage and photography of the asset, service, event etc. for use by the sponsor in a form to be mutually agreed

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- (xvii) Use of an asset or facility related to the sponsorship agreement, subject to approval in each individual case, in static displays or for an activity of the sponsor when not required for Council's use
- (xviii) Opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising by Council
- (xix) Annual print advertising campaign to thank major sponsors.

## Sponsorship Benefits - Council

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When identifying opportunities for sponsorship, and when negotiating sponsorship agreements, Council will have regard for various potential benefits to both Council and the Mosman community including:

- (i) The capacity of a reputable sponsor to further enhance Council's image or reputation
- (ii) The potential for sponsorship to facilitate delivery of Council programs, projects or initiatives that could not otherwise be funded or implemented to the same extent
- (iii) The potential for sponsorship to enable a Council program, project or initiative to achieve a higher public profile or level of community awareness than might otherwise be achieved

## Sponsorship Offers

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Council will make sponsorship opportunities widely known, using broadly based open procedures that are not limited to solely invited sponsors and including criteria for selection. In this regard one or more of the following methods will be used:

- (i) Council advertising (through its website and other relevant channels) a willingness to accept sponsorship for a range of projects, programs and initiatives and stating some general rules for negotiation every six (6) months. Closing dates for sponsorship will be stated where appropriate (e.g. sponsorship of an event).
- (ii) Council calling for Expressions of Interest for sponsorship of a Council program, project or initiative when \$5,000 or more is sought from a single sponsor; (a number of potential sponsors may also be targeted before the Expressions of Interest close). If more than \$250,000 in sponsorship is being sought for a single program, project or initiative then Council's tendering procedures will apply. All calls for Expression of Interest or tenders for sponsorship will include reference to criteria by which sponsorship proposals will be assessed.
- (iii) If interest in a project, program or initiative would be restricted to sponsors with highly specialised characteristics, regardless of the amount of sponsorship sought, then more direct methods such as distributing proposals to a specific selection of potential sponsors may be 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.
- (iv) If a potential sponsor approaches Council with a project, either (i), (ii) or (iii) should be followed depending on appropriateness. In either circumstance, the potential sponsor's

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intellectual property rights over the project should be maintained by advertising the project in its broadest terms.

### Evaluation of Sponsorship Offers

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1. Expressions of Interest or tenders for sponsorship must be signed off by the relevant Director of Council prior to being called.
2. Sponsorship proposals will be assessed in accordance with the ICAC Sponsorship guidelines, the probity safeguards in this Policy and the predetermined criteria set at the planning stage of the event or activity. All sponsors will be made aware of all other sponsors involved in the project, event or activity prior to the signing of the sponsorship agreement.
3. Expressions of Interest or tenders will be assessed by staff (and, in the case of tenders or as otherwise provided by this policy, by Council) in accordance with Council's Purchasing Management Corporate Practice and Procedure.
4. Council may decide at any stage not to proceed with the sponsorship opportunity.
5. Sponsorship proposals of a significant value, (over \$50,000), will be reported to Council with recommendations to:
  - (i) accept a proposal; or
  - (ii) further negotiate with one or more applicants; or
  - (iii) accept none of the proposals
6. All sponsorship proposals over \$5,000 will be subject to risk assessment.
7. Once the agreement of both parties has been reached, final approval of a sponsorship agreement may be granted. Details of the approved sponsorship agreement are to be made publicly available on request, including the forms of recognition and benefits offered to the sponsor.

### Sponsorship Agreements

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1. All sponsorships are to be documented in a written agreement between Council and the Sponsor. This written agreement will be a contract and will become a public document. Sponsorship Agreements with a value of \$5,000 or more will be listed in Council's Annual Report.
2. The agreement will be signed by both parties and will contain the following information:
  - The benefits for both parties
  - The expected outcomes for Council
  - Forms of acknowledgement
  - The scope to which the sponsor may use the agreement
  - Requirements for record keeping
  - Financial accountability
  - Provisions for breach of the agreement and methods for handling disputes
  - Terms of the agreement and conditions for renewal and termination
  - Criteria for Evaluation

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- Dispute resolution process

### Monitoring Sponsorship Agreements

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1. Council will monitor the success of sponsorships from both Council's and the Sponsor's points of view, based on criteria set out in the written agreement.
2. A report, or progress reports where appropriate, will be provided to Council at least on each agreement over \$50,000 dealing with the success of key points within the individual agreement, which may include:
  - Media coverage
  - Attendances
  - Public feedback
  - Overall benefits to Council
3. Where appropriate throughout the term of a Sponsorship Agreement feedback will be sought from the sponsor and Council regarding the success of the event or activity sponsored. This information may be used to improve or extend the current arrangement or alternatively be used in improving future sponsorship agreements or proposals.
4. For each sponsorship agreement entered into by Council, a separate financial account will be established to record relevant income, expenditure, and to facilitate auditing and reporting.

### Related Information/Glossary

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- Mosman Council Model Code of Conduct and Procedures
- *'Sponsorship in the Private Sector - A Guide to developing policies and procedures for both receiving and granting sponsorship'*, ICAC, May 2006

### Review

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This policy will be reviewed every four years unless otherwise directed by the Executive Team.

### Contact

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Enquiries should be directed to the Director Community Development on 9978 4008

### Amendments

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Date	Amendment	Reference
4 June 2024	Minor changes only to provide greater clarity and currency	