

Sponsorship Policy



Moreland
City Council

Policy ID no: DEP 2-CL

Date Authorised by Council:	10 February 2021
Commencement Date:	10 February 2021
Review Date (4 years from authorised date):	10 February 2025
Responsible Department:	Engagement and Partnerships

This policy has been authorised.

1 INTRODUCTION

The purpose of this policy is to outline how sponsorship activities can occur between Council and external organisations. This policy applies to all financial and in-kind support received by Council from external organisations.

This policy is intended to provide guidelines for Council staff seeking or receiving sponsorship opportunities on behalf of Council, to ensure a professional and consistent approach. It is intended to give staff the ability to make decisions about appropriate levels of sponsorship.

This policy informs Moreland Councillors, staff, contractors and volunteers of the principles, guidelines, processes, and risks relating to sponsorship of an activity or event. This Policy does not cover sponsorship arrangements relating to programs or Council services.

This policy does not cover capital grants or philanthropic contributions received by Council. It is also not the intent of this policy to cover instances where Council is a sponsor.

2 CONTEXT

Sponsorship is a business relationship between Council and a commercial/corporate organisation, government agency or individual which has been entered into by negotiation for the benefit of both parties. Sponsors may provide Council with financial support or in-kind support for a Council activity or event.

A sponsor can benefit through building relationships and gaining exposure. The community should also see benefits of sponsorship arrangements through enhanced services, activities and events. Council must ensure that all sponsorship arrangements are transparent, comply with Council's Code of Conduct and other relevant policies, and do not limit Council's ability to carry out its functions fully or impartially. This policy recognises that sponsorship may not be beneficial in all cases.

2.1 Alignment

This policy aligns with the Moreland City Council Plan 2017-2021 and other relevant policies:

- Fraud and Corruption Control Policy
- Gambling in Moreland Strategy 2015-2020
- Gifts, Benefits and Hospitality Policy for Employees
- Human Rights Policy
- Public Transparency Policy 2020
- Risk Management Policy

2.2 Organisational Context

This policy applies to all Council employees who are responsible for the management of Council activities and events.

This policy operates within the *Local Government Act 2020*.

Definitions

Term	Definition
Council	Means Moreland City Council, being a body corporate constituted as a municipal Council under the <i>Local Government Act 2020</i> .
Councillors	'Councillors' refers to individuals that hold the Office of a Member of Moreland City Council.
In-kind sponsorship	The provision of products or services in lieu of cash and provided by an external organisation to Council through a partnership agreement.
Sponsor	Refers to an organisation that contributes cash and in-kind to a particular event or project for a specified period, in return for negotiated rights and benefits.
Local supplier	Refers to a business or organisation operating within or delivering services within the municipal boundary.
Sponsorship	Refers to a contractual agreement in which an organisation contributes cash or in-kind to support a particular activity or event for a specified period, in return for negotiated rights and benefits.
Sponsorship Agreement	Refers to a signed agreement between Council and external organisations that details the commitments, benefits and costs associated with the sponsorship.
Expression of Interest (EOI)	Refers to a process where organisations register their intention to compete for the opportunity to sponsor a Council activity or event.

3 OBJECTIVES

In receiving sponsorship/support Council aims to:

- Increase awareness of and involvement in the sponsored activity or event
- Establish and develop strategic relationships with other organisations that support and align with Council's vision, values, objectives, priorities, and policies
- Increase opportunities for income generation whilst protecting and preserving Council's values, image, assets, and interests

4 POLICY DETAILS

This policy recognises the potential benefits and costs to Council's participation in sponsorship arrangements for activities and events and provides a framework for seeking sponsorship, evaluation of offers and allocation of resources.

4.1 Ethical Behaviour and Fair Dealing

The sponsorship activities of Council will demonstrate high standards of ethical behaviour and fair dealing. Staff involved in sponsorship management or decision making must maintain high levels of integrity in all official dealings including:

- disclosure and resolution of conflicts of interest. Any conflict of interest must be declared according to Council's Code of Conduct for Employees. Any staff with a conflict of interest must be removed from the decision-making process.
- maintenance of confidentiality in respect to commercial-in-confidence, intellectual property issues, matters under negotiation and any other confidential information
- maintenance of high standards of accountability.

Under this Policy, all conflicts of interest are inappropriate.

4.2 Attracting Sponsors

Attracting sponsors can occur in one of two ways:

1. Attracting interest from potential sponsors through an Expression of Interest (EOI) process
2. Pitching to individual organisations prior to an event.

4.3 Expression of Interest

The Community Engagement Branch will advertise an 'Expression of Interest' process annually, to ensure fairness and make sure all organisations have an opportunity to be considered.

The advertisement will briefly outline activities and events which may be open for sponsorship during the next year and ask for expressions of interest to be sent to Council via an online form on the Council website.

All responses received will be assessed using the process outlined in this Policy. The advertisement for the Expression of Interest (EOI) will occur at least once annually, but the opportunity to pitch sponsorship opportunities to Council will always remain open.

Council will ensure that information provided about sponsorships is consistent for all organisations with the aim that there is no advantage or disadvantage to one organisation over another because of information provided about potential sponsorships.

4.4 Pitching

Council will also directly approach potential sponsors and pitch to their corporate objectives in accordance with the terms of this Policy.

Officers will be conscious of pitching to the same organisations as other departments, so as not to offer multiple opportunities to organisations that already sponsor other activities at Council.

All sponsorship agreements must be included in the public sponsorship register (managed by the Community Engagement branch) to ensure fairness and reduce competition across Council.

4.5 Unsolicited offers

Council may be approached directly by an organisation with an unsolicited sponsorship offer, before or after the annual advertisement of the Expression of Interest (EOI). As the opportunity to pitch sponsorship opportunities to Council will always remain open, consideration should be given to the acceptance of this offer and should be evaluated in accordance with this Policy. There is no need to test the market by advertising the Expression of Interest again.

4.6 Renewing sponsorship agreements

There may be occasions when it is considered necessary or desirable to renew an existing sponsorship agreement without seeking alternative offers.

Such instances could include:

- Where it is desirable to establish an ongoing relationship with a supplier
- Sole/limited supplier situation
- Sole/limited local supplier situation
- Where a considered assessment establishes that seeking alternative offers will threaten the viability of the first offer and/or lead to a lesser result
- Where there is reasonable belief that no other competitor could provide a better offer; or
- When deadlines prohibit seeking alternative offers.

In this case, the sponsorship offer/renewal can proceed if it is evaluated in accordance with this Policy every three years.

4.7 Evaluation and Approval

In cases of pitching, the responsible project officer should initially consult with their Branch Manager to indicate which organisations are suitable to approach.

After receiving an offer of sponsorship, the Branch Manager will evaluate the proposal.

The Director of the unit seeking sponsorship will then have final approval.

Offers of sponsorship received via the EOI process will be evaluated and approved in the same manner.

4.8 Evaluation Criteria

Council can select the sponsor that offers the most benefit towards achieving the objectives of the Council activity/event. The selected sponsor should also clearly benefit from sponsoring the activity/event.

Sponsors can be declined if they are not transparent, do not comply with Council's Code of Conduct and other relevant policies, or limit Council's ability to carry out its functions fully or impartially.

In each case, Council must be able to clearly demonstrate and record reasons for selecting and not selecting sponsors.

In situations where there may be doubt regarding an exclusion, the sponsorship proposal can be referred for final assessment to a panel consisting of at least three of the following Council staff:

- Manager Governance and Strategy
- Manager Community Wellbeing
- Manager Economic Development
- Manager Cultural Development
- Unit Manager Arts and Culture
- Any Executive staff members

4.9 Guide to sponsorship levels

Council will offer a variety of opportunities to local businesses, organisations, and commercial entities to sponsor a range of Council run activities and events. These sponsorships will be available as cash or in-kind or a combination of both. It is recommended that approaches to potential sponsors are uniform and ensure benefits commensurate with cash or contra value provided.

Individual Service Units within Council will determine appropriate financial levels in line with the nature of the activity or event being supported. Director discretion can be applied to ensure that Council is not undervaluing itself and that both parties are benefitting from the sponsorship agreement.

Under this Policy, naming rights are not encouraged as a sponsor benefit.

Officers to determine range based on offers. As a general guide, sponsorship levels can be classified in the following ways:

Financial contribution	Council Benefit	Sponsor Benefit
Over \$10,000	Highest level of financial contribution. Agreements may provide support across multiple activities/events and/or a season of events or annual program.	<ul style="list-style-type: none"> • Significant presence on marketing collateral related to the season or program (including logo on all material) • Opportunities for significant presence at events/activities in a premium position.
\$5,001 - \$10,000	Medium level of contribution to an individual event or activity.	<ul style="list-style-type: none"> • Moderate presence on marketing collateral related to the event or activity. • Opportunity for physical presence at events/activities

\$1,000 - \$5,000	Low level of contribution to an individual event or activity.	<ul style="list-style-type: none"> • Limited presence on marketing collateral related to the event or activity.
Under \$1,000	Lowest contribution amount considered for an individual event or activity.	<ul style="list-style-type: none"> • 1 social media mention • Mention in speeches • Very limited presence in marketing campaign

4.10 Limitations on sponsorship agreements

Council will NOT enter any sponsorship agreement with any external individual/organisation who are seen to be in potential conflict with Councils' responsibilities to the community, or whose reputation or image could prove detrimental to the public image of Council involving but not exclusive to:

- Manufacture, distribution or wholesaling of tobacco and associated products
- Gaming and gambling providers, products and services, venues
- Sex industry
- Political parties
- Coal or associated industries/companies
- Detention centres and associated industries/companies not consistent with Council's social justice principles of equity, access, participation, rights, and accessibility for all groups in the community
- Any arrangements which would personally benefit individual Council employees, or their friends/family.
- Give a sponsor influence over Council and access to restricted information.
- Any activity that is prohibited by law
- Council will not accept sponsorship from any individual, organisation or commercial enterprise which has a matter currently pending decision by Council. Sponsorship arrangements must be consistent with Council's Plastic Wise Policy and consider environmental sustainability.

Protecting Council's reputation and its compliance role will be expressed as a term/s in the sponsorship agreement. The terms to be included depend on the nature and scope of the sponsorship.

For example, Council can include terms to ensure that:

- its logo is not used without its specific permission/approval.
- the sponsorship agreement is not regarded as a general endorsement by Council of the business activity of the other party.

- the sponsorship agreement will not impede Council's ability to undertake its regulatory and compliance roles.
- Council continues to own the intellectual property developed; and
- Council information obtained by the other party during the sponsorship is kept confidential.

Council will consider sponsorship from local food and beverage manufacturers/businesses, provided they do not fall under any of the restrictions outlined in this section. Responsible service of alcohol practices will apply during the sponsored activity/event.

Sponsorship candidates should ideally be based within the municipality, or have an existing branch, depot, office, or retail outlet located within the municipality. Sponsorship candidates may also be conducting or seeking to conduct business or investing or seeking to invest within Moreland City Council. Councillors and staff may not accept gifts resulting from a sponsorship arrangement, in line with Council's Gifts, Benefits and Hospitality Policy.

4.11 Exclusivity

Council can consider offering a guarantee for exclusivity of presence or profiling based solely on the business category or type that classifies a sponsor. Exclusivity of business category of a sponsor must be outlined in the sponsorship agreement. Council will endeavour to limit the number of sponsors per activity/event who represent similar business categories. Sponsor benefits will be tailored to ensure differentiation and maximum exposure for each sponsor, with consideration given to the following priorities:

- Ethical and environmental practices
- Prioritising local suppliers
- Maintaining a clear order of process
- Maintaining a register of sponsors.

5 ROLES AND RESPONSIBILITIES

Party/parties	Roles and responsibilities	Timelines
Manager Community Engagement	Oversee the implementation of this policy, including EOI process and maintenance of a sponsorship register	Ongoing (once endorsed)
Manager Communication Engagement	Review Sponsorship Policy	February 2025
All Directors	Assess and approve sponsorship proposals	N/A
Branch Managers	Collate and approve sponsorship proposals	N/A

Employees/all staff

Collate sponsorship proposals N/A

6 MONITORING, EVALUATION AND REVIEW

The effectiveness of this policy will be assessed by establishing, measuring and reporting against Council objectives and targets that focus on the continuous improvement of delivering activities, events and services to the community. The policy is reviewed annually by the Manager Community Engagement.

7 ASSOCIATED DOCUMENTS

N/A. Relevant policies, plans and strategies are listed in 2.1 Alignment.

8 REFERENCES

N/A