



CUMBERLAND  
CITY COUNCIL

# Sponsorship Policy

## AUTHORISATION & VERSION CONTROL

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## **BACKGROUND / INTRODUCTION**

Corporate Sponsorships are financial contributions to businesses, organisations and groups for programs that can build or enhance the reputation and brand of Cumberland City Council.

Sponsorship from this program can contribute to one or more of the following outcomes:

1. Create a valuable strategic alliance for Council.
2. Promote Council's community vision, 'Welcome, Belong, Succeed'.
3. Provide extensive coverage and promotional/publicity opportunities across a range of media outlets.
4. Provide an opportunity for measurable economic, social, recreational, environmental and/or cultural benefits to Council and the Cumberland Local Government Area.
5. Provide opportunities for the community to participate and contribute in activities/events in the Cumberland Local Government Area.

## **PURPOSE**

This Policy aims to establish a single, coordinated and transparent approach to the way Council receives and allocates annual Corporate Sponsorship to and from businesses, organisations and groups.

## **SCOPE**

This Policy has been developed to establish and provide guidance on all Corporate Sponsorships that are either received by Cumberland City Council or distributed by Cumberland City Council to external parties in an efficient, effective and ethical manner.

This Policy does not cover grants and donations, which are governed by Cumberland City Council Community Grants and Donation Policy and the Mayoral Fund Guidelines.

## **PRINCIPLES**

Sponsorship is assessed, administered and delivered according to the following principles:

- 1. Economic benefit:**
  - i. Delivers significant economic benefit which supports the Council brand positioning and purpose: Welcome, Belong, Succeed.

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- ii. The value of the benefits detailed in the Sponsorship Agreement should be commensurate with the agreed level of sponsorship, in which Council receives a return on its investment through demonstrated benefits.
- iii. Delivers benefit to tourism, hospitality and retail sectors through the attendance of regional, national, or international delegates at events.
- iv. Provides a platform for research, trade, and/or investment opportunities.
- v. Attracts regional, state, national or international attention to Cumberland Local Government Area as a place to reside, visit, work and/or invest.
- vi. Creates employment opportunities within the Cumberland Local Government Area.
- vii. Provides opportunities for strategic partnership development aligned with Council's vision and priorities.

### 2. Community, cultural, and social benefit:

- i. Provides an innovative opportunity to meet community needs and promote Cumberland's cultural diversity and brand positioning.
- ii. Enhances Cumberland's profile and reputation to be determined, inclusive and progressive.
- iii. Creates opportunities for education and information exchange between Council and others.
- iv. Supports local organisations, businesses and residents to achieve goals of the Community Strategic Plan.
- v. Attracts a major program to Cumberland that has West-Sydney region, state or national significance.

## DEFINITIONS

**Advertising** means communication to the public by using a medium commonly used for promoting ideas, goods or services and for which a fee is paid.

**Agreement** means a sponsorship agreement that governs the legal relationship between a recipient and sponsor and those entitled to enforce the agreed obligation.

**Council** means Cumberland City Council.

**Grant** means a sum of money given to an organisation or for a specific purpose directed at achieving the goals and objectives of the funding agency in terms of a benefit for the population targeted. A grants program awards funds on a competitive basis using clear and accountable policies and procedures and the effectiveness of grants is measured through monitoring and evaluation processes.

**Donation** means a contribution of a sum or gift to a charity or public institution without any benefits received.

**Incoming Sponsorship** means any financial or in-kind contribution to Council made from an organisation or business.

**In-kind** means sponsorship in the form of the provision or receipt of goods or services to support, or enhance an initiative to the value of the goods or services or free of charge. These arrangements are also liable for GST.

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**Multi-year** means sponsorship or funding (cash and/or in-kind) is provided over a specified period of years.

**Negotiated commercial benefits** means benefits including the sponsor's right to be publicly recognised or have their name, product/s or service/s associated with the sponsorship recipient's service, program, event, activity or infrastructure.

**Organisation** means any incorporated group operating for a defined purpose or function.

**Outgoing Sponsorship** means any provision of a financial, in-kind or material contribution by Council to an organisation or business.

**Recipient** means an organisation or business that, for a specified term, receives a contribution in cash and/or in-kind in return for providing negotiated commercial benefits to a sponsor. See also definition of "sponsor".

**Sponsor** means an organisation that, for a specified term, provides a contribution in cash and/or in kind with the intention of receiving negotiated commercial benefits.

**Sponsorship** means a commercial arrangement with a sponsor's name, products or services with the sponsored organisation's service, product or activity, in return for negotiated and specific benefits such as cash or in-kind support or promotional opportunities.

**The Act** means the *NSW Local Government Act 1993*.

## POLICY STATEMENT

While administering incoming and outgoing sponsorships, Council is to ensure that it complies with provisions of the *Local Government Act 1993*, Section 356 as it may be deemed as 'financial assistance'.

This Policy applies to all sponsorships received by Council and all sponsorships that are distributed by Council, as well as other activities undertaken by Council and will be reviewed annually.

## REQUIREMENTS

### Sponsorship by Cumberland City Council

1. Activity or event must align with, and deliver significant benefit in at least one of the key principles.
2. Applicant is located within the boundaries of Cumberland local government area or delivers the sponsored activity in the Cumberland local government area.
3. Applicant may be either a not-for-profit or for-profit organisation.
4. Applicant must have an appropriate level of insurance for the activity or event.
5. All sponsorship recipients are required to report on their activity as detailed in their Sponsorship Agreement. Reports provide feedback on the success of the activity in terms of the agreed outputs and outcomes, relevant data and any lessons learnt.

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6. Sponsorship will not be provided to:
  - a. Activities or events that can be funded through other Council financial assistance programs.
  - b. Activities or events that directly contravene existing Council policy.
  - c. Activities or events that are political or perceived to benefit a political party or organisation.
  - d. Cover general operational expenditure (e.g. administration, insurance), shortfalls in funding by Government departments or completed/retrospective projects.
  - e. More than one event within the Cumberland area in a two month period that celebrates or marks a specific occasion or activity.
  - f. Applicants that are not registered in Australia.
  - g. Applicants with a debt to Council or who present a perceived risk or conflict of interest.
7. All outgoing sponsorship arrangements are to be approved by a resolution of Council and included in Council's Annual Report.

### **Sponsorship of Cumberland City Council**

8. Sponsorship may only be acquired to 'value-add' to an existing Council activity, project, or program. There must be no suggestion that Council is withdrawing responsibilities to the community due to the lack of sponsorship support.
9. Council will not accept sponsorship where there is a conflict of interest. There should be no real or apparent conflict between the values, objectives and ethical standard of the Council and those of a sponsor.
10. All incoming sponsorship arrangements are to be approved by the General Manager and included in Council's Annual Report, with the exception of incoming sponsorship over \$50,000 which will be determined by Council.

### **Incoming and Outgoing Sponsorship**

11. Sponsorship must be assessed in accordance with *ICAC's Guidelines for Sponsorship in the Public Sector*, 2006.
12. A Sponsorship Agreement may be refused and/or terminated if deemed as a real or perceived conflict of interest, or where a breach of the terms of an agreement has occurred.
13. All sponsorship arrangements, both incoming and outgoing, will be reported to the community on an annual basis as part of Council's Annual Report.
14. This Policy does not apply to:
  - a. Council's Community Grants Program.
  - b. Council's Mayoral Fund.
  - c. Community service advertising support for events.

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- d. Bequests and endowments.
- e. Joint ventures or consultancies and donations or gifts which are given for philanthropic reasons such as where a financial or in-kind donation is made without any expectation of any reciprocal or return benefit.

## RELATED LEGISLATION

- Section 356 of the *Local Government Act 1993*.
- Independent Commission Against Corruption (ICAC) 2006, Guidelines for Sponsorship in the Public Sector.

## RELATED DOCUMENTS AND COUNCIL POLICY

This Policy also has direct relationship to the following council documents and must be read in conjunction with these where applicable:

- Cumberland City Council Community Strategic Plan
- Cumberland City Council Operational Plan
- Community Grants and Donations Policy
- Mayoral Fund Guidelines
- Sponsorship Guidelines
- Code of Conduct
- Statement of Business Ethics