



Ku-ring-gai Council

Sponsorship and Donations Policy

Implementation date:	June 2010
Proposed review date:	June 2013
Contact officer:	Manager Communications
Responsible division:	Communications

Related policies/documents:

- Ku-ring-gai Council Code of Conduct
- Independent Commission Against Corruption Guidelines to Sponsorship in the Public Sector
- Sponsorship Agreement Template
- Sponsorship Database

1. Purpose

The purpose of this policy is to set out how Ku-ring-gai Council will administer sponsorships and donations.

2. Objectives

1. To formalise general principles to apply to the negotiation and implementation of sponsorship agreements.
2. To outline the mechanisms Council will use to achieve sponsorship of Council's assets, services, functions and programs.
3. To outline the mechanisms Council will use to grant sponsorship to organisations, events, or private individuals.
4. Advise community groups as to the process and types of donations Council might make and/or require, where it is appropriate for Council to make a donation.

3. Definitions

3.1 Sponsorship

Sponsorship is a commercial arrangement in which a sponsor provides a contribution in money or in kind to support an activity in return for certain specified benefits. Sponsorship can be provided:

- By the corporate sector or private individuals, in support of a Council activity. This is referred to as achieving sponsorship in this policy.
- By Council in support of related and worthwhile private or public sector activities. This is referred to as granting sponsorship in this policy.

Sponsorship does not include:

- Selling advertising space
- Joint ventures
- Consultancies
- Grants
- Unconditional gifts, donations, bequests or endowments (refer to donations).

Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement.

3.2 Donation

A donation (including unconditional gift, bequest or endowment) is a provision of cash or items of value with no return benefits expected.

Council, an individual or an organisation may make a donation. Only an individual can make a bequest.

Donations include:

- Donations – an act or instance of presenting something as a gift, grant or contribution
- Bequest – a disposition in a will (legacy)
- Endowment – the property or funds with which an institution or person is endowed*

A donation assumes a philanthropic motivation.

Donors may request a modest acknowledgment or that the provision be used for a particular purpose.

Donations do not include:

- Donations made during electoral campaigns or to political parties
- Payments made as part of any financial or business transaction made by Council (refer to sponsorships)
- Donations of time and/or human resources is covered by Council's volunteering guidelines and protocols
- Community and financial assistance grants are covered by the Council's Financial Assistance for Community Groups Program
- Gifts and Benefits to individual Council staff as covered by the Gifts and Benefits Policy
- Capital contributions by sporting and community groups as part of defined leasing and facilities management arrangements. Refer to Council's policy for the Management of Community and Recreation Land and Facilities.

4. Policy statement

The main points of the policy are concerned with:

4.1 Sponsorship

1. The methods to be used in seeking, granting and negotiating sponsorship.
2. Setting levels of sponsorship benefits.
3. The monitoring procedures to be used to measure sponsorship outcomes for the Council, the general public and the sponsor.

4.2 Donations

1. The types of donations received by Council
2. The process for accepting, granting and using donations for the Council, the donor and the general public.

* Source: <http://dictionary.reference.com>

5. Managing sponsorships

5.1 Roles, responsibilities and resources

1. All sponsorship arrangements should be approved by the General Manager or an officer authorised by the General Manager.
2. All sponsorship arrangements greater than \$5,000 excluding GST in value will be described in the Ku-ring-gai Council Annual Report.
3. Council will maintain a database of all sponsorships to allow data to be collected for internal audit and annual reports to be managed by the Communications department.

5.2 Processes for achieving sponsorships

1. Council must make sponsorship opportunities widely known by using broadly based, open processes that are not limited solely to invited sponsors.
 - (i) This may be achieved by a call for expressions of interest advertised in metropolitan and/or local print media and the Council website. The advertisement may contain the criteria against which expressions will be assessed.
 - (ii) In some cases, for example if sponsor interest is poor or restricted to potential sponsors with highly specialised characteristics, it may be appropriate to deal directly with potential sponsors.
2. On receipt of an expression of interest the criteria (predetermined) for sponsorship will be sent to the respondent together with any other material that Council considers necessary.
3. After expressions of interest have been received, a written formal contract, which shall be a public document, will be entered into by the parties. The contract should be the entire arrangement between the parties and no privileges for either party shall exist outside the agreement.

5.3 Processes for granting sponsorship

1. Organisations may apply for sponsorship in writing to the General Manager.
2. Sponsorships valued more than \$5,000 excluding GST must be approved in a meeting of Council.
3. Sponsorship will only be granted to suitable activities and acceptable recipients as outlined in sections 5.5 and 5.6 of this policy and is subject to the availability of funds.
4. Once sponsorship is approved, a written formal contract, which shall be a public document, will be entered into by the parties. The contract should be the entire arrangement between the parties and no privileges for either party shall exist outside the agreement.

5.4 Suitable activities for achieving sponsorship

Activities suitable for achieving and granting sponsorship are non-core, non-operational activities including but not limited to:

- Festivals and events – e.g. Festival on the Green
- Competitions – e.g. Fitz Band Comp
- Educational programs - e.g. Waste Schools Education Kit
- Awards
- Scholarships
- Assets (for a specified period of time) - e.g. garden shed at Community Garden

5.5 Suitable activities for granting sponsorship

Suitable activities for Council to sponsor could include:

- Cultural or community events
- Community education
- Conferences
- Scholarships
- Awards
- Research and publications.

5.6 Acceptable sponsors or recipients of sponsorship

1. Sponsors or recipients must be reputable individuals or bodies.
2. The objectives and products of potential sponsors or recipients must not conflict with the values and the objectives of Council.
3. Sponsors or recipients should have an acceptable sponsorship record.
4. The objectives and missions of potential sponsors' or recipients' parent companies or subsidiaries must not conflict with those of Council.

5.7 Unacceptable sponsors or recipients of sponsorship

Ku-ring-gai Council will not enter into sponsorship agreements with companies, partnerships or sole traders:

1. involved in the manufacture, distribution and wholesaling of tobacco and tobacco-related products.
2. involved in the manufacture, distribution and wholesaling of alcoholic products where such a sponsorship would be related to services or activities for youth.
3. involved in the manufacture, distribution and sale of illicit/inappropriate drugs or services.
4. whose services or products are injurious to health, or are perceived to be in conflict with Council's policies and responsibilities to the community.
5. who are in legal conflict with Council.
6. with an active involvement in the building industry in Ku-ring-gai.

7. which are, or may be, subject to Council regulation or inspection during the life of the sponsorship. This could include restaurants or brothels undergoing a public health inspection, an organisation with a development application awaiting approval.

(i) It is recognised that Council may have difficulty attracting sponsorship if it adheres to this principle in all cases. For example, Council may find that sponsorship for a particular event or activity is only forthcoming from parties it regulates or inspects or is likely to regulate or inspect.

(ii) When considering whether to enter into a sponsorship with such a party, Council should consider the best interests of the public, public accountability, public perceptions and the potential risks as well as the potential benefits.

(iii) If Council decides to enter into such an arrangement, Council should record the circumstances resulting in this decision and the decision-making process e.g. taking minutes from meetings.

(iv) All parties should understand clearly that the sponsorship arrangement has no bearing on Council's exercise of its regulatory or inspectorial functions. This should be clearly stated and acknowledged in all documentation.

(v) Council should ensure that the people or division involved in the sponsorship arrangement have no involvement in the regulation or inspection of the party or in general. All regulations and inspections will be conducted in an open, fair, accountable and impartial manner.

5.8 Benefits to a sponsor of Council

Ku-ring-gai Council will recognise its corporate sponsors in a number of ways.

The extent of such recognition will be determined in relation to the level and nature of the sponsorship. Forms of benefits may include:

1. Temporary signage.
2. Media release and seeking of associated media or promotional opportunities including discounted or gratis advertising.
3. Invitations to selected Council functions.
4. Printing of the sponsor's name and logo in Council's external publications.
5. Naming rights for an event, building, etc for the term of the sponsorship.
6. Award or trophy in the sponsor's name and publicly presented.
7. Right to use the asset, service, event, name and logo, etc in sponsor's advertising and sales promotion in a form to be mutually agreed.
8. Event facilities, which may include hospitality, free preferential seats, event functions, award presentation, car parking, VIP functions, etc.

9. Merchandising of goods at selected points of sale.

10. Static display in the foyer of Council's Administration Building or other Council-owned facility in a form to be mutually agreed.

11. Professional footage and photography of the asset, service, event, etc, for use by the sponsor in a form to be mutually agreed.

12. Use of the asset or facility, subject to approval in each individual case, in static displays or for an activity of the sponsor when not required for Council's use.

13. Opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising by Council.

14. Opportunity for the sponsor's name and/or logo to be promoted on Council's website and a link to be provided to the sponsor's website.

5.9 Benefits to Council for achieving sponsorship

1. The connection with a reputable sponsor could enhance Council's image and reputation.
2. The sponsorship could make it possible for Council to undertake beneficial non-core activities that could not otherwise be funded or undertaken to the same extent.
3. The sponsorship could either reduce the cost of a particular event or activity or enable it, in the public interest, to be expanded or enhanced.
4. The sponsorship could achieve greater community awareness or public profile for Council, or for a particular service, program or product, than may otherwise have been possible.

5.10 Benefits to Council for granting sponsorship

1. Opportunities to promote Council's key messages, programs and activities, build relationships with stakeholders, and benefit the community in accordance with Council's overall mission and goals.
2. Connection with a reputable recipient could enhance Council's image and reputation.
3. Facilitate community development.
4. Increased staff morale.

5.11 Benefits to a recipient of Council sponsorship

1. Building key relationships with government and community bodies.
2. The sponsorship could make it possible for the recipient to undertake activities that could not otherwise be funded or undertaken to the same extent.
3. The connection with Ku-ring-gai Council could enhance the recipient's image and reputation.

4. The sponsorship could achieve greater community awareness or public profile for the recipient.

5.12 Restrictions and considerations

1. Council must not endorse any commercial products or services associated with the sponsor, recipient or any third party.
2. Where sponsorship involves a sponsor supplying a product, that product should still be evaluated for its fitness for purpose against objective criteria that are relevant to Council's needs.
3. An employee of the Council or Councillors must not receive, or be perceived to receive, any personal benefits from sponsorship.
4. Funds raised through sponsorship of specific expenditure items should be used for that purpose and not be redirected into general revenue.
5. The cost of managing and evaluating smaller sponsorships should not outweigh the dollar value of the sponsorship.
6. The sponsorship must not conflict or be seen to conflict with the objectives, policies and planning controls of the Council.
7. A sponsorship agreement should not impose or imply conditions that would limit, or appear to limit, Council's ability to carry out its functions fully and impartially. Activities where sponsor involvement could compromise or be seen to compromise Council's ability to exercise its role impartially on behalf of the community or could diminish the public's confidence are not suitable for sponsorship.

5.11 Monitoring procedures

The following monitoring procedures will be used to determine the outcome of the sponsorship from both the sponsor's and the recipient's point of view and will be documented in the sponsorship agreement:

1. End-of-year progress reports to each sponsor and Council on sponsorship, detailing:
 - Public attendance (if applicable)
 - Media coverage
 - Public feedback (spontaneous or surveyed)
 - Sponsor benefits (i.e. examples of promotional material bearing sponsor's name).
2. A monitoring system will be established within Council recording all contact with the sponsor and contact with the general public regarding the sponsorship.
3. A register of sponsorships will be maintained and all major sponsorships will be reported in Council's Annual Report.
4. An accounting procedure will be established within Council, by which detailed information on the expenditure of the sponsorship may be made available to the sponsor or the general public on request.

6. Managing Donations

6.1 Processes for donations to Council

1. All offers to donate or contribute are to be made in writing and addressed to the General Manager
2. Council and nominated staff will need to assess whether the donation can be used in the way the donor has requested prior to accepting the donation. This includes any public recognition or acknowledgment requested by the prospective donor
3. Council will only accept the donation of public facilities or contribution towards public facilities on public land where it is in the best interest of the community in general. This should be guided by Council's:
 - Adopted Community Strategic Plan
 - Adopted Section 94 Contributions Plan
 - Plan of Management for the public land on which the facility is to be located
 - Council's work program or priority list for that type of facility
 - Council's Policy for the Management of Community and Recreation Land and Facilities.
4. Council staff will assess prospective donations (financial and non financial) up to and including \$50,000.
5. Any proposed financial donation over \$50,000 or item believed to valued in excess of \$50,000 will be assessed by an Ordinary Meeting of Council as to whether it is deemed appropriate to accept such a donation. In the instance that Council assesses an offer, Council officers will supply all relevant documentation to accompany a report to Council, the decision of which will be disclosed publicly through Council's Business Paper.
6. Items of significant value will need to be assessed by Council staff as to the insurance requirements.
 - Relevant for artworks, documents and artefacts of local historical and/or cultural significance, books of value and other materials
 - Council staff will need to consider matters of insurance cost, risk and opportunity to store the item safely as apart of any assessment process involved in determining whether to accept the article as a donation
 - All insurance costs will transfer to Council when taking receipt of such an article and whilst all due care will be taken the burden of risk will remain with the donor, should the article be lost, stolen or damaged.
7. Council does not have deductible gift recipient (DGR) status. No tax deductible receipts will be issued to donors. Donors will need to receive independent financial advice regarding tax and GST implications.

6.2 Processes for granting donations to third parties

9. All requests for financial support (donations) are to be made in writing and addressed to the General Manager. All applications for donations must include:

- Name of organisation or community group
- Background to organisation or group (including your role within the Ku-ring-gai community)
- Amount of funds requested
- Need and purpose for the funding
- How will the funds be allocated
- Timeframe for spending the funding
- Proposed outputs and outcomes achieved with the funding
- Contact person.

2. Council shall disclose in its Annual Report on all financial and non financial donations that have been accepted that are in excess of \$5,000.

6.3 Acceptable donations to Council

An acceptable donation is one that Council deems to represent an appropriate sum of money or in-kind items/goods/services for a project or activity that falls within the normal scope of Council services.

It is important that Council consider the reasons for the donation and assess this accordingly. It is equally important that Council investigates the entity that is making the donation.

When considering whether to accept a donation, Council should consider the best interests of the public, public accountability, public perceptions and the potential risks as well as the potential benefits.

Where Council accepts a donation, Council will respect the wishes of the donor as far as possible.

Examples of acceptable donations to Council may include, but not be limited to:

- Financial donations, including offers of donations of, or towards, public facilities on public land
- Public facilities including buildings (kiosks, lights, shelters, sheds etc) and structures (benches, playground equipment, barbecues, walkways etc).
- Library books which meet accepted public library standards for content
- Documents, photographs, memorabilia, artefacts, diaries and records of historical and/or cultural significance
- Artworks created by local artists for display in public places or which record events or local cultural/historical significance.

6.4 Unacceptable donations to Council

Examples of unacceptable donations may include, but not be limited to:

- Artworks that are deemed to be offensive or inappropriate for other reasons
- Library books that are supplied in large quantities by publishers (if Council believes the provision of these books is not philanthropic, but for promotion or advertising)
- Financial donations that may infer excessive restrictions or exclusivity of use or benefit to only the donor
- Historical material that is excessively political in nature.

6.5 Acceptable donations to third parties

There are some situations where it is appropriate for Council to make a donation. These might include charity, community organisations, events or extraordinary crisis support. The donation may be used for general purposes or allocated to a specific event.

Examples of acceptable donations from Council may include, but not be limited to:

- Registered community or charitable organisations seeking ad hoc or crisis funding
- E.g. Community events that display a strong and relevant benefit to the local community
- E.g. A local, national or international crisis that the Council (and community) deem necessary to support.

Unacceptable donations to third parties

Examples of unacceptable donations may include, but not be limited to:

- General funding request for the provision of income for staffing and administration costs, i.e. Council will not cover the day-to-day operational expenses incurred by community organisations.

Note: The Council requests organisations and community groups to determine their eligibility for the Council's annual Financial Assistance to Community Groups Program before requesting an ad hoc donation. This program provides financial assistance to charitable and community groups within Ku-ring-gai.



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