

**Title:** Sponsorship Policy  
**Policy No:** 065  
**Adopted By:** Council  
**Next Review Date:** 25/09/2016  
**Responsibility:** Executive Manager  
**Document Number:** 2240698

Version	Decision Number	Adoption Date	History
1	21\479	25/09/2012	Adopted
2			
3			
4			

## 1 Policy Summary

The City of Darwin may enter into sponsorship arrangements with organisations or individuals to support new or existing programs, services, facilities or events which contribute to the quality of life for the Darwin community.

This Policy sets out the principles and procedures for the City of Darwin's sponsorship of a program, service, event or project. It also covers procedures for sponsorship of City of Darwin activities.

## 2 Policy Objectives

This Policy aims to provide clear definitions, guidelines and procedures for sponsorships, to ensure an accessible, open and transparent process in assessing sponsorship proposals for the City of Darwin.

## 3 Background

All existing sponsorship arrangements will be assessed (as contracts expire) in a consistent manner against the criteria stated in this Policy.

In addition to sponsorship, the City of Darwin has an Environmental Grants Program and a Community Grants Program which are aimed at assisting community organisations with the development of activities and services to benefit a broad cross-section of the community. Community Grants and Environmental Grants are not covered by this Policy and further information on the programs may be accessed via the City of Darwin website.

## 4 Policy Statement

### **Definition of sponsorship:**

For the purposes of this Policy, sponsorship is defined as a commercial arrangement in which a sponsor provides a contribution in money or in kind, to support a service, event or facility or program in return for specified benefits. Sponsorship differs from Grants Programs or donations.

Sponsorship arrangements will only be considered when there is alignment with objectives outlined in the City of Darwin Strategic Plan and benefits to the City of Darwin are demonstrable.

Sponsorship is not:

- A donation or grant
- An endorsement of any product, service or factional cause by the City of Darwin
- Part of normal assistance programs of the City of Darwin
- Applicable to those programs or events eligible for consideration under the Grants Program
- Advertising, or any part of an advertising package
- Philanthropic as a sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement

### **Key criteria for sponsorship:**

- The organisation whose public image, products and services are consistent with the goals and values of the City of Darwin, and a commitment to enhance community life in Darwin
- Sponsorship may assist in enabling local, national or international programs, events and activities to be held within Darwin. Such events may contribute to the identity of the City, economic growth and promote community participation by residents and visitors. Such sponsorships which are strategically focussed and reflect the values and objectives of the City of Darwin will be considered
- The organisation should be able to commit to the ongoing sponsorship for a minimum period of three years, unless the sponsorship is for a one-off program, event or facility
- Additionally, organisations involved in political fields (e.g. political parties or unions) or are seen to be in potential conflict with Council's policies and responsibilities to the community, will not be eligible for sponsorship

All sponsorship arrangements will be undertaken in a professional and co-ordinated manner, and in accordance with relevant City of Darwin policies.

### **City of Darwin sponsorship of an organisation's activity**

Council may enter into sponsorship arrangements to provide support to outside organisations. This form of support is separate to that provided under the Community Grants and Environmental Grants Programs.

All sponsorship proposals should be able to demonstrate a valid contribution to outcomes for the City of Darwin community, and should fall into one of the following categories:

- Business, industry or economic
- Cultural, social or the arts
- Sporting, or healthy lifestyle orientated

Sponsorship of organisations may be proposed or sought in the following ways:

- Pro-active investigation and recommendation of activities which the City of Darwin may want to be associated with:
  - On an ongoing basis (subject to annual review)
  - As seeding sponsorship over a defined period of time
  - A 'one-off' sponsorship

- Review and recommendation of submissions as they are received

Where appropriate, (in consultation with relevant officers) proposals may be referred to the Community Grants and Environmental Grants Programs.

### **Assessment of Sponsorship Proposals**

Any sponsorship proposal made requesting that the City of Darwin sponsor an activity should address the following:

- A statement of the objectives and detail of the sponsorship activity
- Capacity to deliver long term benefits to the City of Darwin
- Demonstrated ability to achieve timeframes and budgets outlined in the proposal
- The organisation's capacity for administering the project
- The activity's viability in terms of support from any other relevant organisations
- Support of the activity by appropriate marketing and communications which will ensure Council's support is appropriately acknowledged and publicised
- Any proposal must include the names of other sponsors, proposed or confirmed, involved with the event or activity

City of Darwin does not generally sponsor conferences, seminars, functions, individuals, record attempts or fundraisers unless they are directly related to the corporate objectives or local government.

### **Return on investment:**

The City of Darwin has an expectation that it receives a return on this investment through demonstrated benefits including but not limited to:

- Appropriate branding and profile raising opportunities
- Ability to leverage sponsorship through media or advertising
- Ability to leverage support through attendance or staging of display or complementary event where appropriate
- Specific sponsorship category benefits
- Ability to reach traditional and non traditional audiences

### **Sponsorship procedure – recommendations and approvals**

For all sponsorships in excess of a total value of \$10,000 (including cash and in-kind contributions), a report will be prepared for review by Council.

Where the City of Darwin is approached by a party for sponsorship of less than \$10,000 of value (including cash and in-kind contributions), the CEO in liaison with the Lord Mayor may approve the arrangement.

When granting sponsorship, the City of Darwin is obliged to consider the provisions relating to granting financial assistance in the Local Government Act.

Recipients of City of Darwin sponsorship will be required to:

- Submit a tax invoice to Council and enter a formal agreement with City of Darwin that details the commitment of both parties
- Submit a completed sponsorship acquittal which includes a project report and a financial acquittal within three months of the project's completion.

Council will complete an evaluation of all sponsorships funded against performance measures as described in the written agreement.

Sponsorship funding must only be used for the purpose stated in the letter of approval. The purpose, amount or time for expenditure of a sponsorship may not be changed without prior written approval.

### **Sponsorship of a City of Darwin activity**

Sponsorship agreements must not compromise or question the integrity or expected service delivery levels of the City of Darwin activity.

The City of Darwin will not allow a sponsor to determine the content or interpretation of any program or service.

If equipment is donated, the costs associated with maintenance, running and insurance must form part of the sponsorship arrangement.

Any donations of equipment, materials and labour will be treated in accordance with Council's asset management policies.

It is important that any sponsorship arrangement involving City of Darwin activities should:

- Be unambiguous and clearly understood by all parties
- Avoid any real or perceived conflict of interest
- Avoid real or implied preferential endorsement of a commercial product
- Provide suitable acknowledgment of the sponsor
- Ensure there is no conflict of interest arising as a result of the sponsorship
- Ensure that individual employees are not permitted to receive any substantial benefit from association with sponsors
- Not be used to provide routine Council services

Whilst it is permissible for Council to promote an organisation's or individual's sponsorship this is not to imply that the Council in any way endorses a product or service.

The City of Darwin will recognise sponsors in a number of ways. The extent of such recognition will be determined in relation to the level and nature of the sponsorship and subject to a written agreement specifying benefits and costs.

Such forms of recognition may include, but not be limited to:

- appropriate signage
- media release acknowledging the role and contribution of the sponsor
- inclusion of sponsor's name and logo in Council's Report to the Community and other external publications
- award or trophy in the sponsor's name and publicly presented by the Lord Mayor
- merchandising of goods at selected points of sale
- display in the foyer of Council's Community Centre or Library, to use 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 the City of Darwin's use
- opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising by Council

## **Sponsorship procedure – recommendations and approvals**

For all sponsorships in excess of a value of \$10,000 (including cash and in-kind contributions), a report will be prepared for review by Council.

Where the sponsorship value is in excess of \$10,000 (including cash and in-kind contributions) an open tendering process will be adopted where possible. There may be specific circumstances where this would be impractical and request for sponsorship may be by invitation.

Approaches made to organisations for sponsorship of City of Darwin activities for less than \$10,000 (including cash and in-kind contributions) may be approved by the CEO in liaison with the Lord Mayor.

## **Risk Assessment**

Where a report is prepared for review by Council, a risk assessment must be included. This should include:

- An analysis of each component of an offered sponsorship showing the relevance of the offering and perceived benefit to the City of Darwin
- Detail of the any expected degree of endorsement of the sponsor or sponsor's products
- Potential conflicts of interest
- The ability of the City of Darwin to provide adequate resources and facilities to meet the terms of the proposed agreement

If the assessment concludes that the risks are unacceptably high or the City of Darwin is receiving minimal value from the proposal, the City of Darwin will discontinue consideration of the proposal at this stage, or renegotiate the terms.

Every sponsorship proposal will be assessed against the possibility of a real or perceived conflict of interest and may be refused or terminated where, during the life of the sponsorship, any conflict of interest is likely to arise. Additionally, should the sponsorship limit the City of Darwin's ability to carry out its functions fully and impartially, sponsorship will not be considered. Determination may be made by the CEO.

The sponsorship agreement should clearly provide means to dealing with issues, which may include termination or suspension of sponsorship agreement until any identified matter is resolved.

## **Written Agreement**

Every sponsorship agreement is a contract and conditions will be fully described in a written agreement which clearly sets out:

- the benefits including economic benefits, available to the City of Darwin and the sponsor, including documentation of nature of benefits
- the form or forms of sponsorship acknowledgment which will be available
- the scope of uses which the sponsor can make of the sponsorship arrangement
- the term of the sponsorship and any conditions regarding renewal
- the consequences of change which may occur over time e.g. new policies, a shift in the relationship, new corporate missions or objectives
- financial accountability requirements
- provision for termination or suspension of the agreement
- agreement to complete the sponsorship acquittal form following the activity
- agreed performance measures for assessment post the sponsored activity

Written agreements must include a statement that Council's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.

The agreement will include a statement to the effect that any attempted influence of the City of Darwin's regulatory functions will result in an automatic review and/or termination of the sponsorship arrangement.

All monies will be handled in accordance with Council's established accounting practices.

### **Sponsorship Record**

To provide coordination, a file of all sponsorship arrangements will be maintained by the Communications department.

### **Use of City of Darwin Logo**

Permission to use the City of Darwin logo and relevant artwork is to be obtained from Council's Communications department.

The City of Darwin's logo will be used in association with any displays/promotions associated with the sponsorship.

## **5 Legislation, terminology and references**

Part 2.3 of the Local Government Act establishes the role, functions and objectives of Councils which provide the basis for City of Darwin's active role in community, cultural and social development.

## **6 Implementation and delegation**

Sponsorships will be approved and implemented in line with the processes outlined in this policy.

## **7 Evaluation and review**

This policy will be reviewed once during the term of each Council.