

# Sponsorship, Grants and Donations Policy

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CSP/DP: **Direction G1** – Inspiring community leadership is achieved through decision making processes that are open, transparent, corruption resistant and based on sound integrated planning

**Strategy G1b:** Promote and embed good governance and corruption prevention practices in operational activities



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<b>Table of Revisions</b>	
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New Policy created	4 November 1997
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Policy revised	May 2008
Policy revised - Sections on Risk Assessment and Managing the Sponsorship added. Integration of Motion 1306.11.1 into the Policy	19 November 2013



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# 1. Overview

## **NEED FOR A POLICY**

This policy has been prepared after due consideration of the ICAC guide '*Sponsorship in the public sector*', May 2006.

ICAC's '*Ten Sponsorship Principles*' underpin the core of this policy..

The provision of sponsorship, grants and donations can be advantageous for all parties, however Council must ensure that the provision of such does not compromise or question the integrity of Council operations or its corporate reputation. Sponsorship in particular is a commercial arrangement in which a sponsor provides a contribution in money or in-kind to support an activity for a certain specified benefit. Such a relationship potentially has risks and Council must ensure that proper processes are followed and that its reputation is maintained and/enhanced from such relationships.

Sponsorship differs from community grants programs and donations as these programs do not involve benefit beyond modest recognition. However, it is important to set out the parameters relating to the provision of such and hence why it is addressed in this policy.

Although this policy provides for community participation in public domain improvements it does not cover Public Private Partnerships (PPPs) as defined by Chapter 12 (Part 6) of the Local Government Act 1993. If a proposal falls within this definition of a PPP then the provisions of the relevant legislation and guidelines as set out in DLG Circular 05/51 apply.

## **PURPOSE**

This Policy outlines Waverley Council's approach to dealing with sponsorship arrangements that the Council will undertake and the provision of grants and donations. It outlines the principles and procedures for the acceptance and granting of sponsorships, grants and donations. This policy will guide the private sector, community organisations and Council Staff in how to deal with sponsorship, grant and donation issues. Provided certain conditions are met, this policy also enables



members of the community to participate in public domain improvements.

## **PRINCIPLES**

This policy is based around the sponsorship principles as outlined by ICAC. These principles are:

1. A sponsorship agreement should not impose or imply conditions that would limit a public sector agency's ability to carry out its functions fully and impartially.
2. There should be no actual conflict between the objectives and/or mission of the proposed agency and those of the sponsor.
3. In general, a public sector agency with regulatory or inspection responsibilities should not seek, or accept sponsorship from, people or organisations which are, or may be, subject to regulation or inspection by the agency during the life of the sponsorship. Where adhering to this principle would unduly limit the agency's sponsorship prospects, the agency should develop alternative strategies to ensure it can carry out its regulatory or inspection responsibilities in relation to sponsors in an open, fair, accountable and impartial manner.
4. Sponsorship of a public sector agency or activity should not involve explicit endorsement of the sponsor or the sponsor's products.
5. Where sponsorship involves the sponsor providing a product to the agency, the agency should evaluate that product for its fitness for purpose against objective criteria that are relevant to the agencies needs.
6. It is inappropriate for any employee of a public sector agency to receive a personal benefit from a sponsorship.
7. In most circumstances, the public interest is best served by making sponsorship opportunities widely known. To this end sponsorships should be sought and granted by using broadly based, open processes that are not limited to solely to invited sponsors.
8. Public sector agencies should assess sponsorship proposals against predetermined criteria which have been published in advance or which are circulated to organisations that submit an expression of interest.



9. A sponsorship agreement is a contract and should be described in a written agreement.
10. All sponsorship arrangements should be approved by the CEO or another designated senior officer of the agency and described in the agency's annual report in a form commensurate with the significance of the sponsorship.

Source: '*Sponsorship in the public sector*', ICAC, May 2006.

## **DEFINITIONS**

### ***Sponsorship received by Council***

Council defines a sponsorship as a commercial arrangement in which a sponsor provides a contribution in money or in kind to support a Council activity in return for certain specified benefits

Sponsorship can be provided by the corporate sector or private individuals to support Council's activities.

### ***Grants provided by Council***

Council describes the assistance it provides to community organisations as 'grants'.

A grant is normally understood as a form of financial assistance that funds an individual or organisation to develop a specific project. It may also include in kind assistance such as the provision of Council facilities or services. A grant is generally given with directions about the administration of the grant.

### ***Donation (including unconditional gift, bequest or endowment) received by Council***

A donation (including an unconditional gift, bequest or endowment) is a provision of cash or other items of value with no return benefits expected. The person or organisation providing these may request a modest acknowledgement or that the provision be used for a particular purpose. These are not sponsorships or grants.

Council, an individual or an organisation may make a donation, except that only an individual can make a bequest.

### ***The difference between sponsorship, grants and advertising***



Advertising is the licensing of Council space for commercial signage for cash or in kind returns over an agreed period. Advertising is not a sponsorship or grant. However, advertising may be offered as part of a sponsorship or grant proposal.

*The difference between sponsorships, grants and joint ventures and consultancies*

Joint ventures are business relationships between Council and private or public sector individuals or organisations to conduct a joint project. Consultancies are business relationships with external individuals or organisations that provide expert advice or services to Council. These are not sponsorships or grants.



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## 2. Policy

### **WHERE COUNCIL PROVIDES A GRANT**

Council may agree to provide a grant for a community event, activity or program in return for specified benefits.

In particular, Council is interested in proposals which:

- Promote and provide for the Directions and Strategies as identified in Council's Community Strategic Plan (*Waverley Together*);
- Protect, restore, enhance and conserve the environment;
- Promote and provide cultural activities and programs;
- Promote and enhance community safety.

### **WHERE COUNCIL IS BEING ASKED FOR A GRANT**

Where Council is being asked for a grant, it will be to help a community organisation conduct:

- Events
- Activities
- Programs or
- Provide Facilities

That have direct benefits to the residents, owners and businesses within the Waverley Local Government Area.

### **WHERE COUNCIL IS SEEKING SPONSORSHIP**

Where Council is seeking sponsorship, it may be possible to connect the sponsorship with Council's:

- Events
- Activities
- Programs
- Assets
- Services



In some instances, Council may be approached by members of the community who would like the opportunity to contribute to improving the look and feel of a “place” within our Local Villages or other areas in Waverley’s public domain.

This contribution could be via a cash payment, providing 'in kind' resources, or a combination of the two. The activity or project may be carried out as a joint venture with Council or as a commitment to totally fund the works. The works could be simple and low cost (eg a mural), or moderately complex with low - medium cost (eg park or play area upgrade or public art).

A set of criteria and processes will be used to assess each proposal on its merits and against Council's planning instruments, vision and strategic direction. Project proposals need to demonstrate that project management, design, construction, consultation, and appropriate governance procedures are followed.

## **WHERE COUNCIL IS BEING ASKED FOR A DONATION**

Where Council is being asked for a donation, it will be:

- For charitable purposes that may or not relate to the Waverley Local Government Area
- For the general purposes of a community organisation within the Waverley Local Government Area

Council may decide to treat a request for a donation as a request for a grant or a request for a grant as a donation.

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

## **UNSUITABLE PROPOSALS**

Council will not offer a grant or donation, or agree to receive a sponsorship, where Council decides that your activities or proposals:

- Conflict with the Community’s long term vision, direction and strategies as set out in the Community Strategic Plan (*Waverley Together*) or other Council policies and plans (eg Plans of Management, Arts Plus Plan)
- Conflict with or do not support Council’s values or mission;
- Damage health;



- Come from, or are connected with, tobacco-related products;
- Come from, or are connected with, alcohol-related products, or the proposal involves activities concerning children or youth, except where the proposal is from a hotel, licensed club or restaurant in the Council area.  
And provided that the hotel, licensed club or restaurant does not expressly advertise alcohol or alcohol-related products in connection with a sponsorship, grant or donation;
- Are connected with Council's regulatory functions, including law enforcement, regulatory enforcement, building and development consents, or health and building surveyors,  
Except lifeguard services,  
Or unless Council confirms in writing that the sponsorship, grant or donation will not preclude or limit Council exercising its regulatory functions;
- Impede or potentially impede Council from carrying out its functions;
- Discriminate by way of race, religion, gender or sexual orientation in employment, marketing or advertising practices, or contribute to the inhibition of human rights generally;
- Will require Council to give, or appear to imply, a strong explicit endorsement of other products and services of the sponsor or grant recipient, or the giver or recipient of a donation (this does not necessarily exclude naming rights and branding opportunities);
- Requests that seek permission to install obtrusive signage and other undesirable visual clutter which are contrary to Council guidelines on memorials/signage or Plans of Management or other council policies.
- Do not pass Council's evaluation of quality and suitability of products or services involved in a sponsorship, grant or donation.
- Do not show a genuine readiness or capability to carry out the obligations or expectations of a sponsorship, grant or donation.
- Proposals emanating from parties found guilty of illegal or improper conduct by ICAC or any other legal authority.



- Proposals emanating from parties involved in political fields (eg. political parties)

In deciding if a proposal is unsuitable, Council will consider the activities of any persons or organisations that appear to be involved in carrying out the proposal, even if they did not submit the proposal.

### **SUITABLE PROPOSALS**

Suitable proposals are those which are not unsuitable as outlined above.

Council wishes to have relationships with reputable individuals and organisations whose values and objectives do not conflict with Council's or the long term strategic direction of the Waverley community as encapsulated in the Community Strategic Plan (*Waverley Together*).

### ▪ **RISK ASSESSMENT**

Consistent with Principles 4 and 5 at the front of this policy, each sponsorship proposal must be accompanied by a risk assessment. This assessment must include:

- Whether the type or form of sponsorship is inconsistent with the objectives and needs of the Council (eg. Accepting free products simply because they are free but not of any perceivable benefit to the Council)
- Any form of sponsorship proposal expecting explicit endorsement of the sponsor or sponsor's product
- Conflicts of interest
- Sponsorship that does not eventuate
- The capacity of Council to provide adequate resources and facilities to meet the terms of the proposed agreement
- The relationship of the potential sponsor to any of Council's activities/functions (eg. does the sponsor have a current development application or planning matter before Council, or is the sponsor subject to some form of regulatory investigation/determination)
- Will any Council Official (elected or staff) or their family members receive some form of personal benefit from the sponsorship?



## ▪ **RETAINMENT OF DISCRETION TO REJECT SPONSORSHIPS & DONATIONS**

Waverley Council retains the discretion not to accept sponsorships or donations from any entity for any reason.

## ▪ **MANAGING THE SPONSORSHIP**

A management plan and legally binding agreement must be entered into for each sponsorship arrangement to ensure probity. The sponsorship agreement must not impose or imply conditions that would limit, or appear to limit, the Council's ability to carry out its functions fully and impartially.

The agreement will clearly set out:

- The benefits, including economic benefits , available to Council and the sponsor – also document the nature of the benefits (eg. naming rights)
- Any personal benefits available to the sponsor's employees and their relatives
- The form or forms of sponsorship acknowledgement which will be available
- The term of the sponsorship and any conditions regarding renewal
- The scope of uses which the sponsor can make of the sponsorship arrangement
- Consequences of change which may occur over time (eg. shift in the relationship, new policies, new corporate missions or objectives)
- Financial accountability requirements
- Provision for termination or suspension of the agreement
- A statement will set out that Council's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement.
- A statement also setting out that any attempted influence of council's regulatory functions will result in an automatic review and/or termination of the sponsorship arrangement.



▪ **TRANSPARENCY OF INFORMATION**

Information about sponsorships, grants and donations will be available to the public on request. Council will maintain a register on sponsorships, grants and donations and will report on these in its Annual Report.



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## 3. Other Policies and Legislation

### GENERAL

- Code of Conduct
- Statement of Business Ethics
- Community Strategic Plan (*Waverley Together*)
- Delivery Program
- Operational Plan
- Pricing Policy, Fees and Charges
- Plans of Management for parks, reserves and beaches
- Procurement Policy
- Anti Discrimination Act

### WHERE COUNCIL PROVIDES A GRANT OR DONATION

*Notice is required*

Where Council provides 'financial assistance' to others, Council is required to follow certain requirements, including giving at least 28 days public notice of a proposal to pass a resolution to grant financial assistance.

*Notice is not required if:*

- The assistance is part of a specific program which has been in Council's Delivery Program and Operational Plan
- The program's budget does not exceed 5% of Council's income from ordinary rates for the year
- The program is uniformly available to all or a significant group of persons within the Waverley Local Government Area
- Part of a program of graffiti removal work.

You should refer to Section 356 of the Local Government Act 1993.

Even if Council does not need to give public notice, it may choose to do so.

