

## POLICY – TO BE REPEALED



**Date adopted:** 30/05/2017  
**File no:** 503653-1  
**Minute number:** 148/2017

**Policy title:** SPONSORSHIP AND PROMOTIONS

**Directorate:** COMMUNITY SERVICES

**Branch:** MARKETING & EVENTS

**Policy objective:** To establish the framework and guidelines for the development and management of sponsorship and promotional activities for Logan City Council and its related internal and external stakeholders.

To require officers responsible for negotiating or participating in sponsorship and promotional arrangements for and/or on behalf of Council events, programs, activities and facilities to use the sponsorship and promotions policy as the authority for such purposes.

**Policy scope:**

1. The sponsorship and promotions policy provides the operating principles and broad direction for Logan City Council's Sponsorship and Promotions Coordination Group to oversee its implementation.
2. The policy is consistent with the Queensland Government's sponsorship approach and Council's existing commercial purchasing and tendering policies and procedures.
3. The policy ensures that Logan City Council and its sponsors achieve their desired outcomes whilst adhering to Council guidelines and procedures and retaining appropriate levels of transparency and accountability. The sponsorship and promotions policy will provide the process to:
  - (a) secure additional revenues to assist in the overall delivery of Council's events, programs, activities and facilities and to offset staging and administration costs
  - (b) maintain affordability for participants of Logan City Council's events, programs, activities and facilities and add value to their overall experience
  - (c) generate increased funding to support community initiatives and extend the Council's current program offerings
  - (d) improve the perception of ratepayers of the value for money for Council provided community services
  - (e) assist council in promoting its messages in the marketplace through leveraging sponsors' media and distribution channels
  - (f) minimise marketing clutter and maximise value for sponsors with a total of ten category exclusive sponsors, within the sponsor family
  - (g) generate greater corporate interest by creating tailored sponsorship properties to suit sponsors' specific objectives

- (h) establish a streamlined application and management process for Council and sponsors.

**Guidelines:**

1. The following are general sponsorship guidelines which will be adhered to by the Logan City Council's Sponsorship and Promotions Coordination Group in the development and management of its sponsorship program:
  - (a) A sponsorship arrangement should not impose or imply conditions that would limit, or appear to limit, Logan City Council's ability to carry out its functions impartially.
  - (b) There should be no real or apparent conflict between the objectives and mission of the sponsor and those of Logan City Council.
  - (c) Sponsorship of Logan City Council should not involve explicit endorsement of the sponsor or the sponsor's products.
  - (d) Where sponsorship takes the form of provision of a sponsor's product/service, the product/service should still be evaluated for its fitness for purpose against objective operational criteria relevant to Logan City Council's needs.
  - (e) It is inappropriate for any representative of Logan City Council to receive a personal benefit from a sponsorship of its events, programs, activities and facilities unless such a benefit is deemed to be appropriate in the course of delivering their job role.
  - (f) In most circumstances, the public interest is best served by making Logan City Council sponsorship opportunities widely known.

**Definitions:**

TERM	DEFINITION
Sponsorship	<ol style="list-style-type: none"> <li>1. The monetary and non-monetary support received for Logan City Council's events, programs, activities and facilities in return for the right to promote a sponsor's name, image, product or services.</li> <li>2. Does not include joint ventures, consultancies, hospitality and gifts or donations where the reciprocal benefit provided by Logan City Council does not extend beyond some modest acknowledgement.</li> </ol>
Promotion	The process of creating an awareness of the product/service and stimulating demand for the product/service. It includes advertising, publicity and public relations.
Publication	The general term for a written product used to promote the organisation eg annual report etc.
Sponsorship and Promotions Coordination Group	The Sponsorship and Promotions Coordination Group consisting of a member of the Audit Committee and Managers both appointed to the group and those as required, will meet as required as well as on a regular basis and at least every two months to review the sponsorship program, including the preliminary approval of sponsor targets, sponsorship proposals and related contracts. The group will be chaired by the Marketing & Events Manager.

**Policy statement:**

1. Where appropriate, sponsorships should be sought by calling expressions of interest or canvassing the wider market including approaching the major sponsors within a category simultaneously, and not limiting sponsorship opportunities solely to a select number of invited sponsors.
2. Exceptions to this, where it may be deemed necessary to accept an unsolicited offer or renew an existing agreement, may include such instances as:
  - (a) sole/limited supplier situations
  - (b) when calling an expression of interest or canvassing other sponsors in the category will threaten the viability of the first offer and/or lead to a lesser end result
  - (c) when there is a reason to believe that no other competitor could provide a better offer;  
or
  - (d) when deadlines prohibit the calling of expressions of interest.
3. The Logan City Council's Sponsorship and Promotions Coordination Group will assess sponsorship proposals against predetermined criteria which have been published in advance or which are communicated with the organisations being canvassed for sponsorship.
4. A sponsorship arrangement is a contract and should be described in a written agreement. The written agreement or contract should clearly set out:
  - (a) the benefits, including economic benefits, available to Logan City Council and to the sponsor
  - (b) a specific list of sponsorship assets (both tangible and intangible) to be provided by Logan City Council to the sponsor
  - (c) pre-determined mutually agreed commercial objectives and any measurement thereof to be put in place
  - (d) any personal benefits available to the sponsor's employees and their relatives
  - (e) the form or forms of sponsorship acknowledgement which will be made available
  - (f) the scope of uses which the sponsor can make of the sponsorship arrangement
  - (g) the term of the sponsorship and any conditions regarding renewal
  - (h) consequences of changes which may occur over time
  - (i) financial accountability requirements
  - (j) how value-in-kind sponsorship has been estimated (wholesale or retail)
  - (k) option for renewal
  - (l) key contact details for both parties
  - (m) any relevant tax requirements (such as Goods and Services Tax) payable by either party as determined by the Australian Tax Office
  - (n) provisions for termination or suspension of the agreement including detailing the grounds for termination, mediation and compensation
  - (o) any special conditions which may apply
  - (p) review periods and related servicing schedule
  - (q) contract execution details e.g. signed and dated by both parties (one record kept with the sponsor and the other with Logan City Council)

5. All sponsorship arrangements should be approved by the relevant Logan City Council representative, in a form commensurate with the significance of the sponsorship.
6. Logan City Council will ensure resources are available to enable the promised sponsor benefits to be delivered. Logan City Council will provide sufficient information for the sponsor to evaluate the outcomes of the sponsorship, eg by developing measurable objectives for each sponsor.

#### **Assignment of Logan City Council sponsorship rights**

1. The following sponsorship rights may be assigned within sponsorship packages:
  - (a) naming/presentation rights of selected Logan City Council's cultural, recreation and sporting **facilities** (eg. Presented by XYZ)
  - (b) naming/presentation rights of Logan City Council's cultural, recreation and sport programs and **activities**
  - (c) naming/presentation rights of Logan City Council's cultural, recreation and sporting **events**
  - (d) use of Logan City Council intellectual property (event trademark, imagery etc) in advertising and promotional activities (only to be used according to Logan City Council's brand guidelines and with prior consent and approval)
  - (e) Logan City Council vehicle branding
  - (f) rate notice inserts
  - (g) Logan City Council publications and marketing collateral
  - (h) category exclusivity by product and service class
  - (i) preferred supply rights for products/services
  - (j) official designations (supplier status)
  - (k) temporary signage across events
  - (l) advertising in official Logan City Council publications
  - (m) marketing collateral
  - (n) website – banner ads and links
  - (o) database access (subject to privacy restrictions)
  - (p) other sponsorship/partnership opportunities as identified by Logan City Council.
2. Sponsorship rights that will not be assigned include the following:
  - (a) Any asset for which the Logan City Council Sponsorship and Promotions Taskforce does not have the rights or authorisation from the Council executive to assign sponsorship; and
  - (b) Companies or product lines that sponsorship will not be accepted from include:
    - (i) adult products/services
    - (ii) cigarettes/tobacco (as directed by Commonwealth Government legislation)
    - (iii) gambling products and services
    - (iv) companies in conflict with the Logan City Council and its related brand positioning and values
    - (v) companies involved in activities detrimental to the community or environment

- (vi) companies involved in activities or issues not considered by the general community to be appropriate
  - (vii) companies that are likely to have a conflict of interest with Logan City Council or any of its employees
  - (viii) companies involved in illegal activities
  - (ix) companies likely to bring Logan City Council into disrepute
  - (x) companies with a specific religious or political affiliation or that promote a specific religion or political agenda
  - (xi) companies with poor corporate governance.
3. Logan City Council retains the right to refuse sponsorship for its programs and activities from any company and/or sponsorship category type.

### **Sponsor Invoicing**

1. The following process is to be followed when invoicing sponsors of Logan City Council:
- (a) Cash
    - (i) From Australian companies or overseas companies with an Australian business arm:  
Invoicing requirements (timing and amounts) are to be detailed in the sponsorship contract. Tax Invoices (GST included) are to be sent to sponsors as each amount becomes due.
    - (ii) Direct from overseas companies:  
No invoicing is required. On receipt of cash, Logan City Council Finance department is to send the GST amount (an eleventh of the total amount) to the ATO.
  - (b) Value-In-Kind (VIK)
    - (i) From Australian companies or overseas companies with an Australian business arm:  
VIK invoicing requirements (timing and amounts) are to be detailed in the sponsorship contract. Swapping of matching Tax Invoices (inclusive of GST) needs to be then liaised with the sponsor.
    - (ii) Direct from overseas companies:  
No invoicing is required. On receipt of the goods/services, Logan City Council Finance department is to be advised and the necessary accounting entries will be processed.

### **Task and responsibility protocol**

1. A Sponsorship and Promotions Coordination Group will be formed and chaired by the Marketing & Events Manager. To ensure appropriate consultation with the key stakeholders of the organisation and wider organisational buy-in, representatives from the following areas will be invited to join the Group:
- (a) Marketing & Events Manager
  - (b) Marketing (Community Services)
  - (c) Sport, Leisure and Facilities (Community Services)
  - (d) Community, Libraries & Cultural Services - including Art Gallery (Community Services)

- (e) Economic Development & Strategy (Strategy & Sustainability)
  - (f) Administration Manager (Organisational Services)
  - (g) Office of the Director, Community Services (as needed)
  - (h) Development Assessment (as needed)
2. The Sponsorship and Promotions Coordination Group will be informed in advance of all sponsorship arrangements and consulted for input prior to any sponsorship agreement being entered into by Council.
  3. The Sponsorship and Promotions Coordination Group will meet as required to review issues surrounding the sponsorship program, including the approval of sponsor targets, sponsorship proposals and related contracts.
    - (a) Sponsorship approvals, commensurate with the significance of the sponsorship, are managed as follows:
      - (i) Sponsorships up to \$50,000 in value, exclusive of GST, will require the approval of the Marketing & Events Manager, Logan City Council.
      - (ii) Sponsorships greater than \$50,000 exclusive of GST will require the approval of the Director of Organisational Services.
    - (b) Sponsorship contracts are to be signed in line with the Delegations of Authority within Logan City Council.
    - (c) Management of the sponsorship servicing program will be undertaken by relevant managers with the support of the Sponsorship and Promotions Coordinator (where required) and from a strategic and auditing perspective by the Marketing & Events Manager, Logan City Council.
  4. Development of sponsorship sales including proposals will be undertaken by the Marketing & Events Manager supported by relevant managers. Sponsorship sales will be undertaken in line with the sales plan and delegation of responsibility as approved by the Sponsorship and Promotions Coordination Group.

#### **Review of sponsorship policy**

Review of the sponsorship policy will be undertaken every two years unless otherwise required.

#### **Related policies/legislation/other documents:**

DOC ID	DOCUMENT TYPE	DOCUMENT NAME