

Logan City Council

Sponsorship and Promotions Procedure

Logan City Council
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1 Procedure Objective

To ensure sound governance and principles guide officers responsible for negotiating or participating in sponsorship and promotional arrangements for and/or on behalf of Council events, programs, activities and facilities.

Through the Community Events Funding Program (CEFP), Council supports community events and programs through sponsorship. This support facilitates community opportunities that complement our corporate and civic events program. It also allows Council to celebrate our community's diversity, energy and creativity.

2 Principles

- (a) The following general principles will be adhered to by the Logan City Council's Sponsorship Advisory Group in the development and management of its sponsorship program:
 - (i) 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.
 - (ii) There should be no real or apparent conflict between the objectives and mission of the sponsor and those of Logan City Council.
 - (iii) Sponsorship of Logan City Council should not involve explicit endorsement of the sponsor or the sponsor's products.
 - (iv) 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.
 - (v) 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.
 - (vi) In most circumstances, the public interest is best served by making Logan City Council sponsorship opportunities widely known.
- (b) The following criteria will apply to all requests received for incoming sponsorships:
 - (i) Proposals must be in writing setting out details of the request and its purpose.
 - (ii) Council will assess sponsorship proposals to ensure that benefits to the sponsor approximate the tangible and intangible value of the sponsorship.
 - (iii) Council will assess any risks associated with accepting sponsorships including possible perceived benefits to Council suppliers and potential suppliers.
 - (iv) Members of Logan City Council's Sponsorship Advisory Group will declare any possible conflicts of interest when assessing sponsorship proposals.
- (c) The following criteria will apply to all requests received from community organisations for outgoing sponsorships:
 - (i) funding must be allocated in accordance with the Local Government Act 2009, Local Government Regulation 2012 and Council's 'Grants to Community Organisations' policy
 - (ii) requests can be accepted for non-profit and for-profit community-based purposes
 - (iii) political parties are ineligible for funding
 - (iv) requests must be in writing setting out details of the request and its purpose
 - (v) all applicants must be free of debt with the Council
 - (vi) funding must be drawn by cheque or electronic funds transfer
 - (vii) applicants that have applied for, or have already received, funding for the same purpose via any other Logan City Council grant program are ineligible

- (viii) all sponsorships must provide a completed event outcome report (acquittal) outlining the community benefit and provide proof of purchase and/or use of the grant for the prescribed purpose, unless specified in the sponsorship agreement. This proof will involve producing receipt(s) or other documentation. If proof of expenditure for approved purposes cannot be produced, the organisation is to refund the sponsorship monies.
- (ix) In accordance with section 189 of the Local Government Regulation 2012, the responsible branch will keep a register of sponsorships to community organisations for disclosure in Council's annual report.

3 Procedure for Sponsoring Council Events and Programs (Incoming Sponsorship)

- (a) Where appropriate, sponsorship of Council events and programs should be sought by calling expressions of interest or canvassing the wider market.
- (b) Exceptions to this, where it may be deemed necessary to accept an unsolicited offer or renew an existing agreement, may include such instances as:
 - (i) sole/limited supplier situations;
 - (ii) 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;
 - (iii) when there is a reason to believe that no other competitor could provide a better offer;
 - (iv) when deadlines prohibit the calling of expressions of interest; or
 - (v) where direct approaches are deemed more effective.
- (c) Sponsorship proposals will be reviewed against predetermined criteria which have been published in advance or which are communicated with the organisations being canvassed for sponsorship, and approved by the Marketing and Events Manager.
- (d) A sponsorship arrangement is a contract and shall be described in a written agreement. The written agreement or contract should clearly set out:
 - (i) the benefits, including economic benefits, available to Logan City Council and to the sponsor
 - (ii) a specific list of sponsorship assets (both tangible and intangible) to be provided by Logan City Council to the sponsor
 - (iii) pre-determined mutually agreed commercial objectives and any measurement thereof to be put in place
 - (iv) any personal benefits to the sponsor or related parties – including employees, friends relatives
 - (v) the form or forms of sponsorship acknowledgement which will be made available
 - (vi) the scope of uses which the sponsor can make of the sponsorship arrangement
 - (vii) the term of the sponsorship and any conditions regarding renewal
 - (viii) consequences of changes which may occur over time
 - (ix) financial accountability requirements
 - (x) how value-in-kind sponsorship has been estimated (wholesale or retail)
 - (xi) option for renewal
 - (xii) key contact details for both parties
 - a. any relevant tax requirements (such as Goods and Services Tax) payable by either party as determined by the Australian Tax Office
 - b. provisions for termination or suspension of the agreement including detailing the grounds for termination, mediation and compensation
 - c. any special conditions which may apply

- d. review periods and related servicing schedule
 - e. contract execution details e.g. signed and dated by both parties (one record kept with the sponsor and the other with Logan City Council)
- (e) All sponsorship arrangements should be approved by the Marketing and Events Manager with relevant Logan City Council representatives, in a form commensurate with the significance of the sponsorship.
- (f) 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, e.g. by developing measurable objectives for each sponsor.

3.1 Assignment of Logan City Council Sponsorship Rights

3.1.1 Sponsorship Rights that May be Assigned

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 (for example 'Presented by XYZ')
- (b) naming/presentation rights of Logan City Council's cultural, recreational and other programs and activities
- (c) naming/presentation rights of Logan City Council's cultural and recreation 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.

3.1.2 Sponsorship Rights that will not be Assigned

The following sponsorship rights will not be assigned:

- (a) Any asset which is not Council executive authorisation to assign sponsorship.

3.1.3 Ineligible Sponsors

Sponsorship from the following companies or product lines will not be accepted from include:

- (a) adult products/services
- (b) cigarettes/tobacco (as directed by Commonwealth Government legislation)
- (c) gambling products and services (with the exception of Springwood Lions which has an ongoing partnership with Council – and funds derived from state-administered Community Benefit and Gambling Benefit Funds)
- (d) companies in conflict with the Logan City Council and its related brand positioning and values
- (e) companies involved in activities detrimental to the community or environment

- (f) companies involved in activities or issues not considered by the general community to be appropriate
- (g) companies that are likely to have a conflict of interest with Logan City Council or any of its employees
- (h) companies involved in illegal activities
- (i) companies likely to bring Logan City Council into disrepute
- (j) companies that promote a political agenda
- (k) companies with a poor reputation for corporate governance.

Logan City Council retains the right to refuse sponsorship for its programs and activities from any company and/or sponsorship category type.

3.2 Task and Responsibility Protocol

Development of sponsorship sales including proposals will be undertaken by the Sponsorship and Relationship Development Officer, supported by relevant managers. Sponsorship sales will be undertaken in line with the delegation of responsibility as approved by the Marketing and Events Manager.

4 Procedure for the Community Events Funding Program (CEFP) - Outgoing Sponsorship

4.1 Funding the Community Events Funding Program

- (a) Council may set aside an appropriation in each new budget for the purpose of meeting emergent requests for financial assistance from eligible community organisations for sponsorships and events.
- (b) A dedicated expenditure account will be established within the Marketing and Events Branch budget for this purpose, with funds allocated to this expenditure account in accordance with the annual budget. The allocation adopted by Council in its annual budget must not be exceeded.
- (c) Funding must be allocated in accordance with the *Local Government Act 2009*, *Local Government Regulation 2012*, Council's 'Grants to Community Organisations' and relevant Council policies, procedures and delegations.
- (d) Applications for funding close on 30 June each financial year, or when funds have been exhausted (whichever comes first). Applications received after this date will not be considered in the current financial year, however, will be considered once applications re-open in the new financial year.
- (e) Funds must be drawn by electronic funds transfer or cheque.

4.2 Application and Approval Process

- (a) Community organisations must submit requests for funding to Council via the online form, setting out details of the request and its purpose. Forms must be completed accurately and completely, with sufficient detail provided in relation to the funding purpose.
- (b) Requests for support from CEFP, when received on the appropriate form, will be assessed by the Sponsorship Engagement Officer to ensure eligibility. The Sponsorship Engagement Officer will also check the funding balance that is available.
- (c) Only eligible requests will be forwarded to the Sponsorship Advisory Group for consideration.
- (d) The Sponsorship Engagement Officer will advise the Sponsorship Advisory Group of ineligible applications and will communicate this outcome to the applicant.

- (e) The Sponsorship Advisory Group is authorised to support, at their discretion, eligible requests for funding under CEFP. The Sponsorship Advisory Group must clearly outline the reasons for their decision to support or not support a request.
- (f) Where eligible applications are not supported by the Sponsorship Advisory Group, the Sponsorship Engagement Officer will communicate this outcome to the applicant.
- (g) Where eligible applications are supported by the Sponsorship Advisory Group, the Sponsorship Engagement Officer will authorise the processing of the recommended allocations and will communicate this outcome to the applicant.

4.3 Requirements for Eligible Applicants

Eligible applicants must:

- (a) declare on the funding request form (and provide supporting evidence where possible), that:
 - (i) they are based in Logan City; or
 - (ii) the project or activity will be conducted within the boundaries of Logan City and will benefit members of the Logan community; and/or
 - (iii) the project or activity will not be conducted within the boundaries of Logan City, or conducted by a Logan based organisation, but will benefit members of the Logan community; and
- (b) provide the following with the funding request form:
 - (i) an indication of which of the Corporate Plan priorities the event meets. It must meet at least one of the priorities.
 - (ii) a declaration that any approved funding will be used in a manner that does not cause detriment to members of the community, or cause damage to the reputation of Logan City Council or Logan City; and
 - (iii) a declaration they have, or will ensure, all permits and other approvals relating to the funding application are addressed and that there is adequate insurance to cover the project; and
 - (iv) a declaration that the person signing the application is over 18 and is authorised to sign documents on behalf of the applicant organisation (where applicable); and
 - (v) a declaration that they will spend and acquit any approved funds within eight (8) weeks of the event/funding purpose in accordance with Section 9 of this procedure; and
 - (vi) a declaration that the organisation has no overdue debts to Council; and
 - (vii) provide sufficient documentation with the funding request form to support the request (e.g. quotes, event management plans, traffic management plans, letters of support); and
 - (viii) ensure the request has been made to Council at least three (3) months prior to the event date.

4.4 Eligible Applications

Eligible applications are for events that demonstrate a 'community purpose' as defined in the 'Outgoing Sponsorship and Promotions' policy. An eligible activity must demonstrate a direct benefit to the greater Logan community.

4.5 Ineligible Applications

Events that are ineligible for support under CEFP include:

- (a) Any activities that are deemed to discriminate or encourage discriminating behaviour;
- (b) Any activities that are deemed to demonstrate behaviour that does not align with Council's values or strategic intent;

- (c) Any activities that market, promote or advertise products in a misleading or deceitful manner;
- (d) Any activities that produce, promote or distribute materials or services likely to be harmful to the community or Council's reputation;
- (e) Private events (e.g. ceremonies, functions);
- (f) Payment of charges imposed by Council (e.g. funding of Council's infrastructure charges or concessions for rates and charges);
- (g) Payment of debt, addressing bankruptcy, insolvency, or liquidation;
- (h) Projects or events conducted or held for the purpose of contributing funds to a non-beneficiary;
- (i) Funding of prizes, prize money, trophies, purchase of raffle tickets, or bidding on auction items;
- (j) Donations and awards for commercial or business activities;
- (k) Ongoing operational expenses (e.g. insurances, rent, electricity bills and wages);
- (l) Applications that are requesting more than 80% of the total event costs;
- (m) Costs associated with the running of an organisation. For example salaries, insurance, electricity, rates, telephone, rent. (Public liability insurance costs specific to the event are eligible);
- (n) Organisations that have already received funding from Council in the same financial year;
- (o) Initiatives that are the focus of other Council grants (e.g. one-off events, environmental and arts projects). For more information see: www.logan.qld.gov.au/community-support/grants;
- (p) Events that are for the exclusive benefit of certain customers, members or students except when supporting milestone anniversaries or rare celebration occasions in schools;
- (q) Applications for equipment that will be used after the completion of the event;
- (r) Applications for events that are financially unsustainable without ongoing sponsorship;
- (s) Events that have occurred before the lodging of the application;
- (t) Events that are non-inclusive and serve a particular religious affiliation;
- (u) Political activity;
- (v) Illegal activity;
- (w) Adult products and services;
- (x) Cigarettes/tobacco (as directed by Commonwealth Government legislation);
- (y) Unmitigated risk to animal welfare, or where there are no animal welfare guidelines;
- (z) Any other funding purpose that does not provide a benefit to the wider Logan City community.

4.6 Reasons an Eligible Application may not be Supported

While the Sponsorship Advisory Group are authorised to support eligible requests for funding at their discretion, applications may not be supported for the following reasons:

- (a) Other applications have demonstrated a greater community benefit.
- (b) Further information was requested by to assist them in making their decision, but insufficient information was provided.
- (c) Funding has already been provided for the same event.
- (d) Funding for the purpose is available from another source.
- (e) The funding purpose does not have a wide enough community benefit.
- (f) The Sponsorship Advisory Group allocates funding proportionally throughout the financial year and has insufficient funds available at the time to support the request.

- (g) It is not considered that at this time it is in the community's interest to support the application.
- (h) Funding has already been provided to the applicant during this financial year.
- (i) The funding purpose does not align with the priorities or values of Logan City Council.
- (j) While there is a benefit to members of the Logan community, the event will be held outside of the boundaries of Logan City. Preference is given to events that are delivered within the boundaries of Logan City.

4.7 Funding Acquittal

- (a) Funds must only be used for the purpose for which the funding was approved. Any changes to the funding purpose must be approved in writing by the Sponsorship Advisory Group or Marketing and Events Manager.
- (b) All allocations from CEFPP must be acquitted in full within eight (8) weeks of the event.
- (c) Funding recipients are required to provide proof of use of the funding for the prescribed purpose. This proof will involve producing receipts or bank statements verifying expenditure of the funds, along with the completion of an event outcome report form. In extenuating circumstances other documentation may be accepted, however, this is at the sole discretion of the Marketing and Events Manager. Any unexpended funds must be returned to Council.
- (d) If the funding is not fully acquitted within eight (8) weeks of the event, the recipient must return the allocated funding.
- (e) Where funding is not acquitted as described above, applicants will be ineligible to receive further funding from Logan City Council.

5 Sponsorship Advisory Group

5.1 Sponsorship Advisory Group Meetings

The Sponsorship Advisory Group meet monthly on dates set out at the beginning of each new calendar year.

5.2 Membership of the Sponsorship Advisory Group

- (a) A Sponsorship Advisory 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, membership of the Sponsorship Advisory Committee will be as follows:
 - (i) Sport, Leisure and Facilities Manager;
 - (ii) Libraries and Creative Industries Manager;
 - (iii) Community Services Manager,
 - (iv) Economic Development & Strategy Manager;
 - (v) Marketing and Events Manager;
 - (vi) Program Leader Events; and
 - (vii) Sponsorship Engagement Officer.
- (b) The Sponsorship Advisory Group will approve all outgoing sponsorships funded by the Community Events Fund.
- (c) The Sponsorship Advisory Group will be informed in advance of all incoming sponsorship arrangements and consulted for input prior to any sponsorship agreement being entered into by Council.

- (d) 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 Community Services.
- (e) Sponsorship agreements are to be signed in line with the Delegations of Authority Sponsorship Agreements DM# 8427002 within Logan City Council.
- (f) Management of the incoming sponsorship program will be undertaken by relevant managers with the support of the Sponsorship & Relationship Development Officer (where required) and from a strategic and auditing perspective by the Marketing & Events Manager, Logan City Council.

5.3 Sponsorship Advisory Group Conflicts of Interest

All members of the Sponsorship Advisory Group are required to declare if they have any conflicts of interest in relation to each application received. Where a conflict of interest has been declared, the member must be excused from discussion and assessment of the application.

6 Sponsor Invoicing

The following process is to be followed when invoicing sponsors of Logan City Council:

6.1 Monetary

- (a) From Australian companies or overseas companies with an Australian business arm:
 - (i) 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.
- (b) Direct from overseas companies:
 - (i) no invoicing is required. On receipt of payment, Logan City Council Finance Branch is to send the GST amount (an eleventh of the total amount) to the ATO.

6.2 Value-In-Kind (VIK)

- (a) From Australian companies or overseas companies with an Australian business arm:
- (b) VIK invoicing requirements (timing and amounts) are to be detailed in the sponsorship contract. Swapping of matching Tax Invoices (inclusive of GST) needs to then be liaised with the sponsor.
- (c) Direct from overseas companies:
- (d) 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.

7 Definitions

Definitions for terms used within the Procedure can be found in the Incoming Sponsorship and Promotions Policy (DM: 13471668) and the Outgoing Sponsorship and Promotions Policy (DM: 13471650).

8 References

Incoming Sponsorship and Promotions Policy (DM: 13471668)
Outgoing Sponsorship and Promotions Policy (DM: 13471650)