

Donations, Contributions and Sponsorship

Policy Owner: Governance
Person Responsible: Chief Executive Officer
Date of Approval: 19 April 2023
Amended:

OBJECTIVE

The purpose of this policy is to set out the criteria for assessing proposals for donations and sponsorships to the Shire, including procedures that should be followed in receiving, assessing, and determining proposals. The policy aims to ensure transparency, prevent conflicts of interest or undue influence, and comply with relevant legislation.

DEFINITIONS

Conditional Donation: A donation offered, however subject to certain prescribed conditions by a donor.

Community Group: Any group whose activities are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; but does not include schools or State or Federal Government agencies.

Contra Arrangement: Arrangement between two parties who exchange goods or services without any cash changing hands. For example, a contra agreement with a media outlet could see a designated number of advertisements provided without the exchange of funds.

Donation: Provision of cash or items of value towards an initiative that aligns with key objectives with no return benefit expected. An acquittal is not required.

Fee Reduction: A fee or charge articulated within the Shire's Schedule of Fees and Charges (excludes rates concessions) that is formally reduced to a lesser amount, however still more than zero.

Fee Waiver: A fee or charge articulated within the Shire's Schedule of Fees and Charges (excludes rates concessions) that is formally reduced to zero.

In Kind Contribution: Provision of Shire equipment, services or products free of charge. In kind contributions represent a cost to the Shire, however there is no set amount articulated within the Schedule of Fees and Charges. For example, Officer Time or use of plant and equipment.

Local: Any community group which undertakes activities within the gazetted boundaries of the Shire of Chittering, and whose membership base is made up of more than 50% of members who live within the Shire of Chittering

Resident: Someone who can demonstrate their primary place of residence is located in the Shire of Chittering.

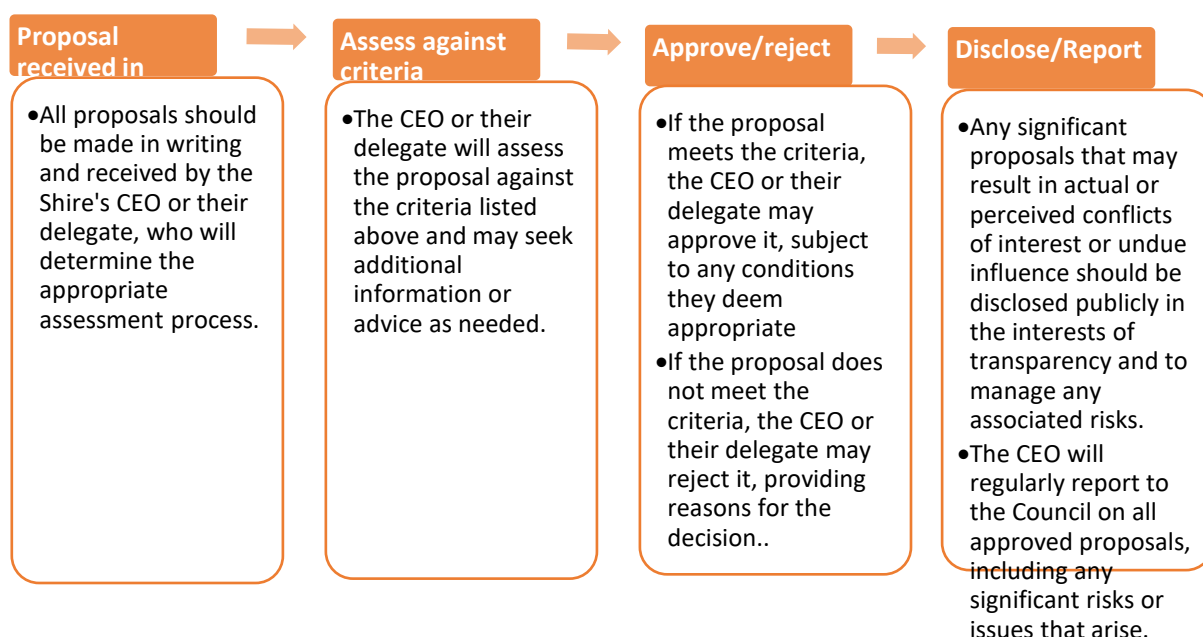
Sponsorship: means a contribution of financial and / or in kind support, received or provided by the Shire in return for an expected benefit. An acquittal may or may not be required.

1. CRITERIA FOR ASSESSING PROPOSALS:

All proposals for donations and sponsorships should be assessed based on the following criteria:

- (a) **Alignment with the Shire's strategic objectives and values:** The proposal should align with the Shire's strategic plan, mission, vision, and values. It should contribute to the achievement of the Shire's long-term goals and priorities.
- (b) **Relevance to the Shire's community needs and priorities:** The proposal should be relevant to the needs and priorities of the Shire's community. It should address a specific issue or challenge that the community faces, or provide a service or resource that the community needs.
- (c) **Potential benefits to the Shire and its stakeholders:** The proposal should provide tangible benefits to the Shire and its stakeholders. These benefits may include social, economic, environmental, or cultural outcomes.
- (d) **Compatibility with the Shire's policies and practices:** The proposal should be compatible with the Shire's policies, practices, and procedures. It should not conflict with any existing agreements or arrangements that the Shire has in place.
- (e) **Legal and ethical compliance:** The proposal should comply with all relevant laws, regulations, and ethical standards. It should not involve any illegal, unethical, or discriminatory activities.
- (f) **Financial feasibility and sustainability:** The proposal should be financially feasible and sustainable. The costs and benefits of the proposal should be carefully considered, and any financial risks should be mitigated.
- (g) **Potential risks and mitigation strategies:** The proposal should be evaluated for potential risks, such as reputational, legal, or financial risks. Strategies to mitigate these risks should be identified and assessed.
- (h) **Actual or perceived conflicts of interest or undue influence:** The proposal should not create actual or perceived conflicts of interest or undue influence. This means that the proposal should not involve any activities that could compromise the Shire's independence, impartiality, or integrity, or give rise to perceptions of bias or impropriety. If any such conflicts or influences arise, they should be identified and managed appropriately.

2. ASSESSMENT PROCEDURES:



3. SEPARATION OF FUNCTIONS:

The Council acknowledges that not all proposals for sponsorships and donations need to be determined by the Council, and that doing so would be inconsistent with the separation of functions under the Local Government Act. Therefore, this policy does not include a blanket requirement that every proposal should be determined by the Council.

4. CATEGORIES OF PROPOSALS:

Categories of proposals and related decision making as it relates to the functions exercisable by the Council under the Local Government Act and any other relevant legislation, and categories of proposals within the management functions of the CEO under the Local Government Act and other legislation.

5. DONATIONS

Donations are regularly offered to the Shire in the course of building and maintaining shire facilities and/or hosting events. These donations are offered with no return benefit expected apart from the perceived community benefit that the particular proposal offers.

(a) Incoming donations are to be approved in accordance with the following values:

Value (ex GST)	Approving Officer
Up to \$2,000	Shire Officer responsible for project/event
Financial value \$2,001 to \$30,000	Deputy CEO
Financial values \$30,000 - \$100,000	Chief Executive Officer
over the value of \$100,000 (ex GST)	Council

- (b) Sponsorships or donations from controversial sources (such as a tobacco company, a gambling organisation, or an industry that has a negative impact on the environment) must be determined by Council.
- (c) Items are to be assessed pertinent to ongoing costs and implications of owning the item prior to acceptance. This includes (but is not limited to) insurance and maintenance requirements, as all such costs will transfer to the Shire upon receipt of the article. Where it cannot be demonstrated that the Shire has the ability to meet ongoing costs, the donation is to be declined.

The Shire does not have deductible gift recipient (DGR) status. A receipt can be issued for financial contributions, but no tax deductible receipts will be issued to donors. Donors will need to seek independent financial advice regarding tax and GST implications.

5.1 ACCEPTABLE DONATIONS TO THE SHIRE

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

The reasons for the donation need to be considered and assessed accordingly before acceptance, with the Shire to evaluate:

- Whether the donation is in the best interest of the public.
- Public accountability and perception towards the donation.
- Potential risks and potential benefits of the donation.

It is equally important that the entity making the donation is considered, and the entity makes clear the purpose of their donation.

Generally, conditional donations are only accepted where these conditions can be met within a three year period. Should it not be possible to fulfil the conditions of the donor at any time within the designated period, this will be disclosed as soon as it becomes apparent, at the earliest possible opportunity.

Any donations offered subject to indefinite conditions, or that must be sustained post a three year period are only considered by the CEO, by exception. Such donations would need to demonstrate a significant community benefit.

5.2 EXAMPLES OF ACCEPTABLE DONATIONS TO THE SHIRE

Donations are subject to any applicable Council Policy requirements and may include, but are not limited to:

- Financial donation, including offers of donation of, or towards, public facilities on public land or the purchase of land. Public facilities including buildings (kiosks, lights, shelters, sheds etc) and structures (benches, playground equipment, barbeques, walkways etc).

- Library resources which meet accepted public library standards for content and condition.
- 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.

5.3 UNACCEPTABLE DONATIONS TO THE SHIRE

Examples of unacceptable donation may include, but are not limited to:

- Artworks or other objects including books that are deemed to be offensive or inappropriate for other reasons.
- Books that are supplied in large quantities by publishers (where the provision of these books is not philanthropic, but for promotion or advertising).
- Financial donation that may infer excessive restrictions or exclusivity of use or benefit to only the donor or another individual or group.

6. SPONSORSHIP

A sponsorship is a commercial arrangement in which a sponsor provides a financial contribution or in kind support to an activity in return for certain specified benefits. Sponsorships to the Shire entails receiving financial and/or in-kind support from a commercial or external organisation, in exchange for public recognition or association, to provide a facility or activity for the community (incoming Sponsorship).

6.1 SPONSORSHIP DOES NOT INCLUDE:

- Selling advertising space.
- Consultancies.
- Grants, including funding agreements and community grants.
- Gifts, donations, bequests or endowments.

Sponsorship is not philanthropic. Sponsors can expect to receive a reciprocal benefit beyond a modest acknowledgement.

(a) All sponsorships are to be approved in accordance with the following values:

Value (ex GST)	Approving Officer
Up to \$2,000	Shire Officer responsible for project/event
Financial value \$2,001 - \$30,000	Deputy CEO
Financial values \$30,001 - \$100,000	Chief Executive Officer
over the value of \$100,000 (ex GST)	Council

The Shire of Chittering may consider opportunities to maximise returns from assets and develop new income streams through strategic corporate sponsorship with private organisations or service providers.

Any income or contra services obtained from sponsorship would go towards delivering or improving the services provided by the Shire of Chittering, or reducing the costs associated with that particular program or service.

New sponsorship arrangements with any business or individual that is currently tendering for work with the Shire of Chittering cannot be considered.

All incoming sponsorship arrangements approved by Council in excess of \$100,000 (ex GST) are to be described in the Shire of Chittering Annual Report.

6.2 ACCEPTABLE SPONSORSHIPS TO THE SHIRE

The objectives and products of potential sponsors (including parent companies or subsidiaries) must not conflict with the values and the objectives of the Shire. Sponsorship must meet relevant certification (where required) and WHS requirements. As an example, a free kid's activity has to provide the necessary proof that they can provide the service in a safe manner and their staff hold the necessary certification to work with children.

Activities suitable for achieving and granting sponsorship are generally activities that can be enhanced via additional contribution or support offered by external parties, including but not limited to:

- Festivals and events.
- Tourism and/or economic development opportunities.
- Shire buildings or major assets (e.g. naming rights), vehicles or minor assets on a case by case basis.

6.2.1 BENEFITS TO A SPONSOR:

The Shire of Chittering can recognise corporate sponsors in a number of ways. The extent of such recognition is determined in relation to the level and nature of the sponsorship.

Forms of benefits may include:

- Temporary signage.
- Media release and seeking of associated media or promotional opportunities including discounted or gratis advertising.
- Invitations to selected Shire or Council functions.
- Printing of the sponsor's name and logo in the Shire's external publications.
- Naming rights for an event, building, etc. for the term of the sponsorship.
- Award or trophy in the sponsor's name and publicly presented.
- 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.
- Event facilities, which may include hospitality, free preferential seats, event functions, award presentation, car parking, VIP functions, etc.
- Merchandising of goods at selected points of sale.

- Static display in the foyer of the Shire's Civic Centre or other Shire-owned facility in a form to be mutually agreed.
- Professional footage and photography of the asset, service, event, etc, for use by the sponsor in a form to be mutually agreed.
- 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 Shire use.
- Opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising by the Shire.
- Opportunity for the sponsor's name and/or logo to be promoted on the Shire's website and a link to be provided to the sponsor's website for a specified time period.
- Space at an event for promotional displays or information stall.

6.2.2 BENEFITS TO THE SHIRE FOR ACCEPTING SPONSORSHIP:

Benefits to the Shire in receiving sponsorship may include one or all of the following:

- Connection with a reputable sponsor to enhance the Shire's image and reputation.
- Enhance the Shire's ability to undertake beneficial non-core activities that could not otherwise be delivered or undertaken to the same extent.
- Reduce the cost of a particular event or activity, or enable it, to be expanded or enhanced to the overall benefit of the local community.
- Achieve greater community awareness or public profile for the Shire, or for a particular service, program or product, than may otherwise have been possible.

6.2.3 UNACCEPTABLE SPONSORSHIPS TO THE SHIRE

The Shire of Chittering will not enter into sponsorship agreements with organisations, companies, partnerships, or sole traders:

- Involved in the manufacture, distribution and wholesaling of tobacco and tobacco-related products.
- Involved in the manufacture, distribution and wholesaling of alcoholic products, where such sponsorship is relevant to services, programs or activities for youth and children.
- Involved in any illegal activities.
- Whose services or products are injurious to health, or are perceived to be in conflict with the Shire's policies and responsibilities to the community and do not support the goals of the Shire's Health and Wellbeing Strategy.
- Who are in legal conflict with the Shire.
- A sponsorship agreement should not impose or imply conditions that would limit, or appear to limit, the Shire'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.

- Where the cost of managing and evaluating the sponsorship outweighs the dollar value of the sponsorship.
- The sponsorship conflicts or is seen to conflict with the objectives, policies and planning controls of the Shire.

6.2.4 RESTRICTIONS AND CONSIDERATIONS

Where sponsorship involves a sponsor supplying a product:

- Commercial products or services associated with the sponsor, recipient or any third party are not to be publicly endorsed outside of the agreed sponsorship activities.
- That product must still be evaluated for its fitness for purpose against objective criteria, relevant to needs.

References:	<i>Local Government Act 1995 - Section 2.7. Role of Council</i>
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