

Community Donations and Sponsorship

Policy Owner: Executive Director Community and Culture	
Date Last Adopted: 27 August 2024	Review Date: 27 August 2028

1. Policy Statement/Objective(s)

Shellharbour City Council is committed to the responsible and fair allocation of funding to provide donations and community sponsorship [referred to as 'sponsorship' in this Policy] that contribute to community capacity building and improve the wellbeing of the community where other funding sources are inadequate and there is merit in Council supporting an event or activity.

Objectives: The objectives of the policy are to:

- To provide funding for groups, organisations and/or individuals by way of donation/sponsorship that supports the delivery of community events, activities including representational sport, and/or outcomes where in the Council's opinion the applications have demonstrated a community benefit and are in line with Council's Community Strategic Plan.
- To set out the fair and transparent process used in the allocation of donations/sponsorships.
- Not to provide donations/sponsorship where other sources of funding are more appropriate (such as: State or Federal funding, commercial sponsorship, charitable services, an organisation's own resources, user fees for service, etcetera).
- To set out the processes to inform the community of the allocation of donation/sponsorship funding to achieve transparency.

Principles: The objectives are based on the following principles:

- **Priority** – funding is allocated to priority areas to meet identified Council and community needs. Priorities are identified through Council's Community Strategic Planning.
- **Impact** – funding is provided to representational sport as well as programs and events that demonstrate the greatest ability to positively impact identified needs and represent value for money. Council actively encourages partnerships with a variety of organisations to deliver on its objectives.
- **Community wellbeing** – funding is provided to programs and events that will improve the general wellbeing of the local community as a whole. Encouraging athletes to compete at higher levels and in elite pathways encourages wider community participation in sport.

- **Equity and inclusion** – funding will be accessible to a diverse range of groups and people and will not support initiatives that discriminate or disadvantage groups within the community. Council acknowledges the range of capacity in organisations to apply for funding and all applications will be considered on their individual merits. Applications are encouraged from people of all abilities, ethnicity, cultures, ages and sexual orientations.
- **Responsiveness** – funding programs are responsive and may adapt to changing community needs and circumstances over time.
- **Accountability** – use and acquittal of funds should demonstrate measurable outcomes and accountability in the purpose, use, aims and objectives of the original application or request.
- **Governance** – staff and Councillors administering this Policy are bound to act ethically, fairly and with transparency, abide by Council’s Code of Conduct and follow the application procedure. Application forms will be proportionate to the size of the funds awarded and the expected outcomes of the relevant funding program. Council will have a process for feedback on donations/sponsorship processes.
- **Eligibility and Procedure** – applicants must meet the defined eligibility criteria and follow the application requirements.

2. Scope

This policy applies to all types of Council donations/sponsorship to the community including cash and in-kind, fee-waiving, and/or provision of materials and services in accordance with the eligibility criteria in order to support individuals, groups and/or businesses that live, volunteer, recreate, conduct community events, work, attend school and/or operate a business within the council local government area. It does not apply to commercial sponsorship that may be undertaken by Council’s business units for the purpose of increasing customers and revenue.

3. References

- *Local Government Act 1993 (NSW)* – Section 356 and 554
- *Independent Commission Against Corruption (ICAC) Act (NSW)*
- Sponsorship in the Public Sector, ICAC 2006
- Council Code of Conduct
- Council Fees and Charges
- Fee Reduction Policy (costs incurred under this Policy are part of the Council’s donation funds)
- Tree Donation Policy (costs incurred under this Policy are part of the Council’s donation funds)
- Small Environmental Projects Fund (this is outside of the scope of, and separate to, the Donations and Sponsorship Policy).

4. External/Internal Consultations

- Councillor Workshop – 9 April 2024
- Executive Leadership Team
- Executive Manager Financial Services (Chief Financial Officer)
- Executive Manager Corporate Governance and Risk (Public Officer)
- Public Exhibition of draft – closed 25 July 2024

COLLABORATION

ACCOUNTABILITY

INTEGRITY

RESPECT

SUSTAINABILITY

Policy Name: Community Donations and Sponsorship – Council Policy
Date of Last Adoption: 27 August 2024

5. Definitions

Community Donation	A voluntary gift given without any material benefit or advantage being received by Council in return and provided without contractual obligations, including cash, goods and/or services.
In-kind	An arrangement whereby Council foregoes revenue (either in full, or a percentage) on things that would normally incur a fee or charge. This may include park hire, venue hire, staff time, trees, and other Council services.
Fee waiver	Except where fees are legislated, Council sets annual fees and charges at cost recovery and/or subsidised community rates and can further waive fees in accordance with this policy.
Community Capacity Building	Community capacity building is about assisting with the development of the capability of local communities to implement and sustain their own solutions and outcomes in a way that helps them shape and exercise control over their physical, social, economic and cultural environments. Donations and sponsorship provide support to the community to improve their financial sustainability so that, over-time, they stand-alone.
Community Sponsorship	As defined by the ICAC*, "Sponsorships (are not donations, but are). a commercial arrangement in which a sponsor provides a contribution in money or in kind to support an activity, in return for certain, specified benefits.... Sponsorship does not include the selling of advertising space...(or) unconditional gifts, donations, bequests, endowments.... A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement. " *(Sponsorship in the Public Sector. ICAC 2006. pg 8.).
Commercial Sponsorship	Sponsorship activity by Council business units for the purpose of enhancing commercial activities and opportunities such as increased customers and revenue.

6. Variation and Review

Council reserves the right to review, vary or revoke this policy.

Review History

<p>Date Policy first adopted – version 1</p> <p>This policy has been prepared to replace the following:</p> <ul style="list-style-type: none"> • Financial Assistance – Donations Policy (14 October 2024) • Sponsorship Policy (12 May 2022) • Fee Reduction – Dunmore Recycling and Waste Disposal Depot (23 February 2023) • Reciprocal Business Arrangements (21 March 2023) • Sports Assistance Advisory Committee program 	27 August 2024
--	----------------

COLLABORATION

ACCOUNTABILITY

INTEGRITY

RESPECT

SUSTAINABILITY

Policy Name: Community Donations and Sponsorship – Council Policy

Date of Last Adoption: 27 August 2024

7. Policy

- 7.1. Council will consider the provision of funding by way of donation/sponsorship to local cultural, educational, health, sport, welfare, and other bodies, where in the Council's opinion, the applications have demonstrated they meet the objectives and criteria set out in this Policy.
- 7.2. Applications for donation/sponsorship will be made via Council's website and will be considered as they arise but with consideration of the budget in four quarters. That is, the assessment and considerations set out by this Policy and its attachments, will be capped by the budget available each quarter of the financial year.
- 7.3. Donation/sponsorship to individuals will be capped as follows:
 - 7.3.1 Country Representative level sport - \$500
 - 7.3.2 State level sport - \$750
 - 7.3.3 National level sport - \$1000
 - 7.3.4 International level sport - \$2000
 - 7.3.5 Local community events and arts – individual up to \$2000.
- 7.4. Applications for donation/sponsorship by organisations/groups or sporting teams shall be considered on their merits, taking into account this policy and its guidelines (attached), the circumstances of each case, the availability of funds in the Council's budget, and the relevant provisions of the *Local Government Act 1993* (as amended).
- 7.5. Council delegates to the CEO the authority to determine applications within the annual budget up to and including \$2000 per application that meet the eligibility and selection criteria. The exercise of this delegation will be reported to Council for information quarterly and in the Annual Report.
- 7.6. Applications that exceed the delegation to the CEO but may otherwise align to the intent of this Policy will be assessed and referred to Council for a decision at an Ordinary Council meeting.

8. Related Forms/Documents

- Application for community donation/sponsorship
- Community donations/sponsorship acquittal form

Note: Related forms can be located Online under “Forms”

9. Attachments

Attachment 1: Community Donations and Sponsorship Eligibility Guidelines

Attachment 2: Terms and Conditions of Council Donations and Sponsorship

Policy Authorised by:

Name: Council Resolution Number 125

Date: 27 August 2024

COLLABORATION

ACCOUNTABILITY

INTEGRITY

RESPECT

SUSTAINABILITY

Policy Name: Community Donations and Sponsorship – Council Policy
Date of Last Adoption: 27 August 2024

Attachment 1 – Community Donations and Sponsorship Eligibility Guidelines

Eligibility. To be eligible, applications for donation/sponsorship should meet the following criteria:

- 1.1. **Sports:** Individuals (residing in the Shellharbour City Council local government area) or sporting teams (where the club is registered in the Shellharbour City Council local government area) when representing their sport at Country, State, National or International Level in the next 12 months.
- 1.2. **Community events and activities:** Relate to an event, activity or outcome that:
 - 1.2.1. demonstrates a community benefit that aligns with Council's Community Strategic Plan;
 - 1.2.2. contributes to community capacity building and improves the wellbeing of the community;
 - 1.2.3. directly supports individuals, groups and/or businesses that live, volunteer, recreate, conduct community events, work, attend school and/or operate a business within the council local government area;
 - 1.2.4. will occur within the next 12 months;
 - 1.2.5. is not for charitable fundraising; and
 - 1.2.6. is not for ongoing operational costs (such as wages, utilities, waste disposal or insurance).

Considerations. Other considerations in determining applications include:

- 1.3. The total donation/sponsorship from Council in the last 12 months to any one organisation/club does not exceed \$20,000.
- 1.4. The total donation/sponsorship from Council in the last 12 months to any individual does not exceed \$2,000.
- 1.5. Provide the necessary supporting documentation in the application, such as:
 - 1.5.1. Constitution;
 - 1.5.2. Australian Business Number;
 - 1.5.3. registered business name;
 - 1.5.4. minutes of most recent annual general meeting;
 - 1.5.5. most recent audited financial statements;
 - 1.5.6. compliance with relevant legislation [such as working with children]; and
 - 1.5.7. evidence of selection/registration at Country, State, National or International level sport.
- 1.6. Other documentation requested by Council during the application process.
- 1.7. Council reserves the right to decline incomplete applications.
- 1.8. Applicants agree to the Council's terms and conditions of the donation/sponsorship (see attachment 2) as set out in the application form; and
- 1.9. No individual or organisation will receive funding under this Policy for more than four consecutive years (requests for a fifth consecutive year can only be determined by Council [not on delegation]).
- 1.10. Donation/sponsorship will not be made to groups, which are raising funds on behalf of another community group.

- 1.11. Applicant organisations must be based in or must be affiliated with, or service clients within, the Shellharbour City Local Government Area.
- 1.12. The following events/activities will not be eligible for donation/sponsorship:
 - 1.12.1. Political events/activities.
 - 1.12.2. Any event/activity which is assessed as creating an unacceptable risk management cost to Council.

Other Considerations. Other criteria that will be considered in determining applications for donation/sponsorship include:

- 1.13. Federal or State Government Funded initiatives will be given lower priority to receive assistance under this Policy.
- 1.14. Applications to reduce or waive hire fees or for general maintenance at Council's facilities will generally not be received under this policy as subsidies for use of community facilities are reflected in Councils fees and charges.
- 1.15. Applicants must identify any in-kind donation/sponsorship, including all Council-provided services or facilities. Requests for in-kind donation/sponsorship ~~OBJ~~Council cannot supply bins or any other item that needs to be outsourced from an external agency.
- 1.16. The extent to which an applicant that has previously received a donation/sponsorship from Council has fulfilled the stated purpose of that funding and met the terms of the contribution.
- 1.17. The extent to which an applicant receives other financial benefit from Council such as rates exemptions.
- 1.18. Applicants that demonstrate community capacity building may be given priority. This would improve evidence of their own fund-raising, co-contributions, improved governance, increased membership/participation, and/or increased own-source revenue opportunities.
- 1.19. Council will generally not make a retrospective donation/sponsorship.
- 1.20. Eligible applicants may be prioritised according to the following assessment criteria:
 - 1.20.1. Citywide event/activity (an event/activity which encompasses the community of the whole of Shellharbour City), and:
 - 1.20.1.1. Events that provide free entry/participation will be given priority over ticketed events
 - 1.20.1.2. Ticketed events should demonstrate that they are not making excessive profits (excludes reasonable profits that allow the event organiser to manage event risks and reinvest in the event in future years);
 - 1.20.2. Local general community event/activity (suburb based – a community event/activity held in a particular suburb with the aim of bringing together the whole of the community of that suburb and opportunity for beyond);
 - 1.20.3. Sporting events/activities of State or National significance held within the Shellharbour City local government area.

Conflict of Interest. Conflicts of interest must be declared by applicants and any person involved in assessing and/or determining the application.

- 1.21. Applicants must identify and declare any actual, potential or perceived conflict of interest (when applicable) in accordance with Council's Code of Conduct (available on Council's website).
- 1.22. Any actual, potential or perceived conflict of interest posed by the potential donation/sponsorship of an event/activity, whether declared by the applicant or otherwise identified, will be considered as part of the assessment.

Attachment 2 – Terms and Conditions of Community Donations and Sponsorship

Recipients of Council donation/sponsorship must, as appropriate and applicable, acknowledge the following terms and conditions:

1. **Appropriate Conduct** – Agree to conduct themselves in a manner that upholds the reputation of Shellharbour City Council. Furthermore, recipients of Council donation/sponsorship must not bring Council into disrepute by actions, inactions, in person, at public events, in the media and online.
2. **Council recognition.** Recognise Council as a donor in official promotion material, media and at official openings. For donation/sponsorship greater than \$5,000 the Mayor is to be invited to Official Openings.
3. **Council logo.** Display the “**Shellharbour City Council**” logo as agreed to in the terms and conditions of the agreement. The logo must be used in accordance with Council's Logo and Branding Style Guide and must not be edited or distorted in any way. The logo should only be produced from original files supplied by Council and any materials must be approved by Council's Marketing and Communications unit before production.
4. **Transparency** – The recipient, amount and purpose of all Council donation/sponsorship will be reported to the community via public ‘for information’ reports to Council and in the Annual Report for the financial year in which they were expended.
5. Donation/sponsorship applications considered by Council will be in the Public Council agenda.
6. Council will generally invite recipients to a ‘cheque ceremony’ held regularly throughout the year at the Civic Centre. The donation/sponsorship ceremony will be photographed and shared on Council's social media pages.
7. **Requirement to notify if circumstances change** – Recipients of Council donation/sponsorship must notify Council in the event of any significant changes to circumstances that may affect the use of donated funds or the fulfillment of sponsorship benefits. Such changes may include but are not limited to:
 - Changes in event, activity, project or program scope
 - Unforeseen circumstances affecting the use of funds
 - Financial challenges or constraints affecting the allocation of funds
 - Change of activity dates
 - Change of funding applicant point of contact
8. Recipients will inform Council of any changes regarding their donation/sponsorship application circumstances via email, written correspondence or other appropriate means of communication.
9. **Requirement to acquit** – As part of the commitment to transparency and accountability, Council requires recipients of Council donation/sponsorship over \$750 to acquit their funds by providing a formal acknowledgement of the use of funds and the fulfillment of event or activity via the acquittal form and provision of receipts. All other donation/sponsorship recipients may be required to acquit funds on request.
10. **Requirement to refund the money if the activity is not completed** – In the event that the recipients of a Council donation/sponsorship fail to fulfill their commitment, or activity is not completed as agreed, the funds shall be returned to Council.

COLLABORATION

ACCOUNTABILITY

INTEGRITY

RESPECT

SUSTAINABILITY

Policy Name: Community Donations and Sponsorship – Council Policy
Date of Last Adoption: 27 August 2024

11. **Exceptions** – If the event or activity is not completed due to circumstances beyond the control of the recipient of a Council donation/sponsorship, including but not limited to acts of nature, force majeure events or changes in circumstances that were unforeseeable and beyond reasonable control of the donation/sponsorship recipient, and the funds have been expended, a refund may not be required. The circumstances will be assessed on a case-by- case basis.
12. **Use of Funds** – Donation/sponsorship funds will be used for the purpose specified by the applicant in accordance with the application form.
13. **Cancellation/Refund Policy** – Recipients of donation/sponsorship may request cancellation of funds.
14. **Accountability and Reporting** – The Acquittal Form must be completed and returned within three (3) months of the event/activity as nominated in the Application Form.
15. **Amendment and Termination** – Council reserves the right to amend or terminate these conditions at any time without prior notice. Any such changes will be communicated to recipients of a donation/sponsorship in writing.
16. **Compliance with Laws and Regulations** – Recipients of a donation/sponsorship must comply with applicable laws, regulations and industry standards.
17. **GST** – All donations and sponsorship will be treated with applicable GST requirements.