



POLICY

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|---------------------------|----------------------------------|
| Policy Name | <i>Sponsorship Policy</i> |
| Policy/File Number | ED4.12.012 |
| Review Frequency | Every Three Years |
| Attachments | nil |

1. Purpose

To provide procedures for the Victor Harbor Horse Tram Authority to enter into sponsorship arrangements.

2. Scope

This Policy applies to all sponsorship monies received that become the monies of the Victor Harbor Horse Tram Authority and must be treated in accordance with the procedures laid down in the Victor Harbor Horse Tram Authority's financial procedures.

3. Policy Statement (Summary)

The sponsorship activity must be consistent with the values, corporate purpose and goals of the Victor Harbor Tram Authority.

All sponsorship monies received become the monies of the Victor Harbor Horse Tram authority and must be treated in accordance with the procedures laid down in the Victor Harbor Horse Tram Authority's financial procedures

Staff and Board Members must not individually benefit as a result of sponsorship.

4. Legislation and Compliance

Local Government Act 1999

5. Definitions

Board Member means at any time a member of the Board appointed in accordance with Subclause 2.9 of the Victor Harbor Horse Tram Authority Charter.

General Manager means the General Manager of the Authority and includes a person acting in that position.

Sponsorship is the negotiated provision of funds, goods or services to the Victor Harbor Horse Tram Authority for exchange for advertising, publicity or other benefits.

Sponsorship Agreement means a written document outlining the negotiated terms for a sponsorship.

6. Policy Content

6.1 Sponsorship

May take the form of cash support and / or provision material goods or other resources, such as labour or facilities in the exchange for agreed acknowledgement:

- May be between one or more organisations
- Does not include direct commercial dealings between organisations, or simple donations of cash, good or services.

6.2 Sponsorship Agreement

A Sponsorship Agreement may be:

- With a business or organisation
- The first step, or the outcome of, links formed with business and other organisations; or
- Part of, or an outcome of, a much wider relationship.

A Sponsorship Agreement may take the form of an exchange of letters a sponsorship agreement (C), Sponsorship Contract and Schedule (D) or a full legal Agreement.

6.3 General Manager

The General Manager is required to:

- Advise the Board of all sponsorships when they are in the process of being negotiated
- Seek the approval of the sponsorship from the Board
- Ensure details of the sponsorship income and expenditure are forwarded to the Board

6.4 Board

The Board are required to:

- Maintain a record of all sponsorships
- Provide advice on and, at times assist with the negotiation for sponsorship; and
- Monitor adherence to the principals and procedures of all sponsorship proposals.

6.5 Financial Accountability

Where a commercial agent is involved in arranging sponsorship the General Manager must:

- Ensure any commission arrangements are between the commercial agent and Victor Harbor Horse Tram Authority are under contract;
- Ensure the Victor harbor Horse tram Authority incurs no liability from any commission arrangements;
- Seek advice from the board where there is a doubt about any issues raised in the contract.

6.6 Assistance with Agreements

Assistance such as the provision of sample letters or formal agreements can be obtained from the Board.

6.7 Mandatory Procedures

- The negotiation of sponsorship agreements must proceed according to the following procedures no matter what size and scope of the sponsorship arrangement.
- The sponsorship must be seen as an opportunity to enhance the Victor Harbor Horse Tram Authority and not rely upon as a major source of funds
- Any sponsorship agreements must not compromise the professional standard and ethics of the staff or board.
- Direct sponsorship agreements should only be negotiated with organizations/or businesses whose public image, products and services are consistent with the values corporate purpose, goals and policies of the Victor Harbor Horse Tram Authority
- Any company or organization whose name is associated with the manufacture, distribution or sale of tobacco products, alcoholic beverages, pornography or armaments is not regarded as an appropriate sponsor. This would not necessarily preclude involvement with local clubs, supermarkets and other businesses, provided that their name is not linked to inappropriate products.
- When considering an organization as a potential sponsor, the General Manager/Board should evaluate the appropriateness of:
 - The type of product and services the organization/business markets;
 - The marketing methods used;
 - Its public image as an employer and the impact its product and services have on the environment.
- Where there is doubt as to the suitability of an organisation/business, the sponsorship negotiations should not proceed until advice has been sought from the Victor Harbor Horse Tram Authority Board.

6.8 Legal Advice Contracts and written Agreements

- Sponsorship documents must be retained for at least seven years after the expiration of the sponsorship
- Each sponsorship agreement (including the letters or full legal agreement) shall be made for a specific period and purpose.
- The agreement should ensure that the Victor Harbor Horse Tram Authority will not be out of pocket in the event that a sponsor withdraws
- Every sponsorship agreement shall contain a clause which allows for the cancellation of an agreement without penalty, where information questioning the appropriateness of the organization as a sponsor comes to light after the agreement has been signed.
- The Victor Harbor Horse Tram authority Board should insure all acknowledgement arrangements are detailed in the agreement to avoid any future dispute over the nature of the obligations.

6.9 Acknowledgement

The extent and acknowledgment should reflect the level of sponsorship. Sponsorship acknowledgement should also be in a form consistent with the standards and values of

the Victor Harbor Horse Tram Authority. While the forms of acknowledgement may vary the following methods are acceptable:

- Placement of a plaque
- As per agreement

6.10 Endorsement

Although sponsorship agreements may provide exposure of the sponsor's corporate logo or name, the written agreement must not endorse or recommend any product or service.

6.11 Reporting procedure

The Board will be required to include in the Council reports and regular financial statements of the Victor Harbor Horse Tram authority at the end of each financial year the sponsorship agreements entered into during the year.

6.12 Final Authority

Final authority over any sponsorship agreement, sponsorship contract or full legal contract ultimately rests with the Board of the Victor Harbor Horse Tram Authority.

7. Risk Management

This Policy endeavours to promote high ethical standards and professional behaviour by the Board Members and fulfils the Victor Harbor Horse Tram Authority Charter.

8. Implementation/Delegations

The General Manager of the Victor Harbor Horse Tram Authority is provided with the delegated authority to implement this Policy

9. Related Documents

Local Government Act
Victor Harbor Horse Tram Authority Charter

10. Availability of Policy

This policy is available on Victor Harbor Horse Tram website at www.horsedrawntram.com.au. It may also be inspected or purchased at the Principal Office of the City of Victor Harbor, 1 Bay Road, Victor Harbor.

Document History

| Version | Document | Action | Date |
|---------|------------------|--|------------|
| 1.0 | Approved version | Victor Harbor Horse Tram Authority endorsement VHHTA08 | 3/12/18 |
| 1.1 | Approved Version | Victor Harbor Horse Tram Authority endorsement VHHTA243 | 08/06/2021 |

Dated: _____ 20____

SPONSORSHIP CONTRACT

Between

Victor Harbor Horse Tram Authority

And

Victor Harbor Horse Tram Authority

horsetram@victor.com.au

THIS AGREEMENT is made on the _____ day of _____ 20____

- 3.4 All advertising and promotional material produced or published, broadcast, displayed or exhibited by the Sponsor under the sponsorship rights shall first be approved by the Board in accordance with corporate sponsorship policy and guidelines of the Board and such approval shall not be unreasonably withheld.

4 USE OF NAME OR LOGO

- 4.1 All advertising and promotional material produced, published, broadcast, displayed or exhibited by the Board in respect of the Sponsorship shall acknowledge the Sponsors sponsorship in the manner agreed by both parties.
- 4.2 The Board shall immediately on the termination or expiration of this Agreement cease to use or otherwise refer to the Sponsors name/ or logo.
- 4.3 The Board shall use the Sponsor`s name and/or logo if appropriate in good faith and in such a manner as to enhance and promote the goodwill and reputation of the Sponsor.
- 4.4 The Board shall not use the Sponsors name and/or logo in association with or in relation to any other activity which does not or may be likely to adversely or detrimentally effect the goodwill and reputation of the Sponsor.

5 BREACH AND TERMINATION

- 5.1 If either party breaches any of the terms and conditions of this Agreement and fails to rectify such a default in accordance with a written notice by the non-defaulting party within 14 days after the date of such notice, the non-defaulting party may terminate the Agreement at any time thereafter.
- 5.2 The Board may terminate the Agreement immediately if any of the following events occur:
- 5.2.1 If the Sponsor is wound up, becomes insolvent or enters into an agreement with its creditors, or if a receiver, manager or liquidator is appointed in respect of the Sponsor
- 5.2.2 If the Sponsors business operations or the business or activities of any associated company are contrary to any government policy of the Board if the Council of the Board determines that for what ever reason it should no longer use the product or be associated with the Sponsor.
- 5.3 The termination or expiration of this Agreement shall not prevent either party from taking action to enforce a term condition of this agreement in respect of any breach occurring prior to such expiration or termination.

6 CONFIDENTIALITY

- 6.1 The Sponsor hereby acknowledges and agrees to keep confidential and not disclose, duplicate, use or permit the use of any confidential or commercially sensitive information relating to the Board of which the Sponsor may become aware.
- 6.2 The obligations set out in this clause 6 shall apply at all times during and after the termination or conclusion of the term of this agreement.

- 6.3 Should the Sponsor so require the Board shall within three months of the end of the term of the Agreement provide to the Sponsor a form of acquittal detailing, in a form acceptable to both parties, the amount of the Sponsorship Fee, the manner in which the Sponsorship Fee has been applied and attach any relevant financial statements, accounts and receipts.

7 NOTICES

- 7.1 Notices may be served on either party by delivering them by hand or prepaid registered post to the other party at the address specified below or such alternative address or number notified in writing by the party to the other party from time to time.

8. ASSIGNMENT AND VARIATION

- 8.1 Any variation to this Agreement shall be valid if the variation is in writing and signed by both parties.
- 8.2 Neither party shall assign, transfer, change or purport to assign, transport or change this Agreement or any of its rights or obligations without the prior written consent of either party, which shall not be unreasonably withheld.

EXECUTED by the parties on the date first written above this Agreement [c]

Signed by]
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]]
for and on behalf of the]
Victor Harbor Horse Tram]
Authority] _____
In the presence of:]

Witness:

FOR SPONSOR

Signed by]
]]
]]
in the presence of:] _____

Witness