



NSW RURAL FIRE SERVICE



NSW RFS SPONSORSHIP FRAMEWORK

Corporate Sponsorship

Policy P2.1.4

Document control

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Related documents

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1 Introduction

Sponsorship is a method by which individuals, businesses, councils and community groups support NSW Rural Fire Service (NSW RFS) initiatives and projects to help create a safer community.

The NSW RFS accepts sponsorship as a means to supplement the agency's resources either by reducing the cost of performing a particular activity, or by enhancing or expanding service delivery. Whilst most sponsorship is expected to result from invitations from the NSW RFS, some may result from unsolicited offers made by external organisations.

This framework aims to ensure that community trust and confidence in the NSW RFS is maintained through sponsorships, which are also a return to our membership. The framework also ensures that our approach to sponsorship is impartial, objective and transparent, ensuring that probity and integrity are inherent in the process.

These guidelines aim to ensure that community trust and confidence in the NSW RFS is maintained through the provision of guidance on the management of sponsorships, which includes:

- ensuring sponsorships are transparent, appropriate, properly recorded and accountable;
- identifying the types of organisations and activities suitable for or excluded from sponsorship;
- identifying and developing sponsorship opportunities and assessing sponsorship offers; and
- authorising, managing and renegotiating sponsorships.

This Sponsorship framework applies to all staff engaged to assist the NSW RFS to undertake its responsibilities in accordance with the *Rural Fires Act 1997*.

2 Definitions

Responsible officer: a Cost Centre Manager, tasked under P4.1.1 Financial Delegations to monitor and record the progress of the sponsorship arrangement.

3 Principles

3.1 What is sponsorship

The Independent Commission Against Corruption (ICAC) defines sponsorship as 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 can be provided:

- by the corporate sector or private individuals, in support of a public sector activity;
- by the public sector in support of related and worthwhile private or public sector activities;

Sponsorship does not include:

- the selling of advertising space
- consultancies
- grants (in regard to received sponsorship)
- unconditional gifts, donations, bequests or endowments.

The NSW RFS acknowledges that sponsorship is not philanthropic and that a sponsor can reasonably expect to receive a reciprocal benefit beyond a modest acknowledgement. Benefits received by a sponsor from the NSW RFS usually relate to the sponsor's reputation management or communication objectives. Typical sponsor benefits include event signage, their logo appearing on promotional material and acknowledgement in media releases and speeches.

Example: Company A agrees to pay the NSW RFS \$2000 in return for naming rights to an event scenario at the NSW RFS State Championships. The specified benefits include, naming rights, use of Company

A's logo on all printed material referencing the event scenario and the right for a company representative to present the award to the event scenario winner at the Championships.

Example: Company B agrees to pay the NSW RFS \$10,000 as a Silver sponsor in return for acknowledgement on the official polo travel shirts worn by the team. The package also includes acknowledgement of support through social media coverage and written recognition in all articles published regarding the Gallipoli deployment. A company representative would attend a presentation of the polo shirts to the team prior to their departure.

3.2 Cash and in-kind sponsorships

Sponsorship can be provided to NSW RFS by either cash or in-kind arrangements, as agreed by the sponsor and the NSW RFS.

In approving in-kind sponsorship, typically for items or events that are not funded or budgeted, it is recognised that goods or services will be accepted if they relieve the NSW RFS's budget. This in-kind contribution would cover items that have funds allocated to them and in turn reduce the NSW RFS's overall costs and expenditure.

In certain circumstances, where goods and services may fall outside the budgeted provisions (for example, vehicles), approval will need to be given for their acceptance into the NSW RFS program. The contribution should not incur additional costs to the NSW RFS for the prospective partner's involvement.

Appropriate sponsorships increase the range and level of financial and other resources available to the NSW RFS and its volunteers.

4 Assessment Principles

All sponsorships should complement the NSW RFS's existing brand values, and enhance and promote the NSW RFS's community engagement events and programs whilst providing a direct return to our volunteers.

Sponsorship arrangements have both benefits and risks for public sector agencies such as the NSW RFS. Benefits associated with entering into sponsorship arrangements with government agencies or private sector organisations must be balanced against the risk that they might create negative public perceptions of the arrangements, inhibit the Service or create an undue administrative burden.

The reputation of the NSW RFS has great value, and must be protected. It must be appropriate for the NSW RFS to be associated with the organisation providing the sponsorship.

The NSW RFS will not accept sponsorship where there exists a conflict of interest between the role of the NSW RFS and the operation of the organisation or accept a sponsorship that would lead to public criticism or threaten the good reputation of the NSW RFS.

The NSW RFS must make sure that due diligence checks are performed on companies or organisations selected for sponsorship so as to make sure it is appropriate for the NSW RFS to be publicly connected with them. Due diligence checks may include checks on the organisation, its goods or services, and individuals linked to the organisation.

Sponsorship can be provided by the corporate sector, local Government, community groups or private individuals, in support of a particular activity or initiative.

Sponsorship, either directly or indirectly, cannot be accepted from companies or organisations which the NSW RFS regulates or inspects, or those which may conflict with broader whole of government initiatives in health or community issues, such as:

- > the adult entertainment industry;
- > tobacco companies;
- > gaming and racing; or

- the firearms and weapons industry.

5 NSW RFS Sponsorship guidelines

The NSW RFS will not enter into a sponsorship agreement which:

- limits, or appears to limit the NSW RFS's ability to carry out its functions fully and impartially;
- where conflict between the objectives/mission of the NSW RFS and those of the sponsor exists;
- where the Sponsorship would involve explicit endorsement of the sponsor and/or its products;
- offers inducements or personal benefits to staff of the NSW RFS.

All sponsorship proposals should be in writing and need to be able to demonstrate a return for our volunteers.

The NSW RFS will ensure that sufficient resources are available to ensure that the benefits promised to the sponsors are delivered.

5.1 Sponsorship Opportunities

Sponsorship opportunities involve situations where the NSW RFS identifies opportunities and invites sponsorship of specific events or initiatives.

Sponsorship opportunities are identified through the preparation of a sponsorship prospectus by any member of the NSW RFS who is seeking or intending to seek sponsorship for an existing or proposed program or initiative which:

- could be enhanced by a contribution of community or private funds, goods or services;
- would not be compromised by private sector or community involvement;
- would provide a useful, additional or enhanced service to the community; and
- would provide public acknowledgement and recognition benefits for a potential sponsor.

Some examples which might attract sponsorship are:

- special events such as the State Championships or Australian Community Engagement and Fire Awareness Conference;
- regional volunteer forums;
- educational and awareness programs, such as fire safety programs, brigade open days, and community events.

Programs and initiatives should not be sponsored if commercial sponsorship is likely to reduce public confidence in the NSW RFS's ability to impartially perform its duties.

Sponsorship must strike a balance between the sponsor's commercial priorities and the overriding importance of NSW RFS objectives. Sponsors reasonably expect recognition for their support of NSW RFS activities. If the NSW RFS does not ensure a sponsor gets appropriate public acknowledgement and recognition, it will face difficulty raising private sector sponsorship.

The NSW RFS must identify a potential sponsor's expectations and reach agreement on what the NSW RFS is able to deliver to them.

5.2 Unsolicited Sponsorship

Unsolicited sponsorship involves situations where third parties approach and offer sponsorship of NSW RFS events or initiatives. In some cases, the NSW RFS may be requested to identify sponsorship opportunities for that third party to sponsor.

Unsolicited sponsorships can pose greater risks and should be carefully valued and considered to ensure the potential sponsor and the unsolicited offer meet NSW RFS requirements and standards,

there are no conflicts of interest and that better value for money would not be obtained by expressions of interest or other market testing.

Unsolicited sponsorships may be accepted for formal assessment without the need for a competitive market testing process in the following circumstances:

- if the company making the offer, and the offer itself, meet NSW RFS objectives and requirements;
- when the sponsor is a sole supplier or one of a very limited number of suppliers;
- when calling expressions of interest or tenders would threaten the viability of the first offer or is likely to lead to a poorer result;
- where there is reason to believe no other competitor could provide a better offer (the offer is unique); or
- if it is not feasible to call for expressions of interest or tender for the right to be a sponsor.

Unsolicited offers should be rejected if the NSW RFS is about to, or has gone to tender to competitively purchase the product, service or activity being offered. Contact the relevant subject expert or Procurement Section for advice.

6 Assessment of sponsorship opportunities

6.1 Sponsorship Advisory Group (SAG)

The sponsorship framework and assessment process is administered by the NSW RFS Sponsorship Advisory Group (SAG).

The SAG reviews incoming sponsorship proposals and makes recommendations to the Executive Director, Finance and Executive Services for approval, rejection or further consideration. Members of the SAG are to declare any real or perceived conflict of interest prior to commencement of the assessment of sponsorship opportunities process.

The SAG is administered and managed by the Director Corporate Communications and comprise of:

- Director Corporate Communications;
- Director Corporate Planning, Governance and Learning
- Manager Corporate and International Relations;
- Manager Community Engagement;
- Manager Volunteer Relations & Workforce Planning, and
- Supervisor Events and Promotions.

The SAG will seek input and advice from the relevant Business Units as appropriate. All sponsorship proposals are to be recorded and reported to the Executive Director Finance and Executive Services.

6.2 Criteria for Assessing Sponsorship

Responses to a NSW RFS call for sponsors or Sponsorship Expressions of Interest Form (SEOI), or an unsolicited sponsorship offer, must be assessed and a written recommendation forwarded to the responsible officer for decision by the Sponsorship Advisory Group (SAG). The reason for selecting or rejecting a sponsorship offer must be clearly recorded and retained on file.

When considering a sponsorship offer the NSW RFS assessment must weigh the benefit to the NSW RFS against the opportunity, costs (including resources, ongoing costs, and staff time) and risks (including potential negative impact on the NSW RFS image and brand).

In assessing sponsorship offers, the SAG must take into account the following criteria:

- The NSW RFS does not sponsor the products, services or activities of an external person or organisation, except in cases where the sponsorship assists the NSW RFS in meeting its objectives identified within the Corporate Plan. All other applications seeking sponsorship by the NSW RFS must be rejected;

- Sponsorship of a NSW RFS activity or program must not involve commercial endorsement by the NSW RFS of the sponsor or the sponsor's products, services or activities. All applications that require the NSW RFS to commercially endorse the sponsor or the sponsor's products, services or activities must either be rejected or have this requirement removed from their offer;
- The NSW RFS participation in approved films and television productions, developed by commercial and public television channels and other production companies does not constitute a commercial endorsement. NSW RFS involvement is not to endorse the production company or their product, but to promote NSW RFS objectives. The production company provides the medium through which the NSW RFS endorses itself.
- A sponsorship offer must not be linked to a requirement that the NSW RFS purchase or contract to purchase goods or services in return. Such applications must be rejected or have this element removed from the offer;
- The sponsoring organisation must not be subject to regulation or inspection by the NSW RFS; The sponsorship must not conflict with broader NSW Government or Government agency objectives (example, no tobacco or alcohol company sponsorship)

For sponsorships which may be of a complex nature and/ or significant monetary value, the SAG shall seek external advice on the sponsorship proposal received based on the assessment criteria in the Framework.

6.3 NSW RFS sponsorship selection criteria

The NSW RFS needs to protect its brand and maintain its high reputation, so it will only seek sponsorship with reputable companies and organisations.

The NSW RFS targets sponsors who:

- share the principles of its vision, mission, goals and values;
- share in its similar brand identity values;
- strengthen and enhance its community safety events and programs;
- assist in building its brand and image through leveraging of its partnerships;
- are wanting to build and sustain long term partnerships;
- have an acceptable sponsorship record with NSW RFS or other agencies;
- can provide goods, services and information which would benefit the NSW RFS and/or the general public and be of the type and quality that meet NSW RFS supply and contract requirements;
- have parent companies or subsidiaries whose goals and missions do not conflict with those of NSW RFS.

The NSW RFS will engage with sponsor organisations that demonstrate that they are:

- commercially sound;
- show ethical behaviour in their business activities
- maintain good governance, risk, accounting and disclosure procedures, and
- provide goods and services of the highest standard in their industry.

This framework establishes a sound management process for sponsorships, and facilitates appropriate decisions over whether to enter into a sponsorship arrangement, and when the NSW RFS should withdraw from such relationships.

The process for establishing and managing sponsorships is as follows:

- An initial consideration against Sponsorship Criteria;
- Preliminary discussions with the Sponsorship Advisory Group
- Assessment of potential partners
- Submission of a proposal

- Formalising the agreement
- Management of the partnered project
- Review and reporting of the partnered project.

6.3.1 Initial considerations

Initial consideration of a potential sponsorship arrangement should address the NSW RFS sponsorship selection criteria. The purpose must be consistent with the objectives of the NSW RFS, the initial criteria should be met, and all identified risks should be able to be managed. The potential sponsorship arrangement should consider evaluation criteria to include risk, social impact, and satisfaction (in service & delivery). If a potential sponsorship passes these initial considerations, then it is appropriate to take the next step.

6.3.2 Preliminary discussions

Before engaging any potential sponsor, the information gathered at the initial consideration needs to be agreed and documented by the Sponsorship Advisory Group. A recommendation will then be made to the Executive Director, Finance and Executive Services (EDFES) for approval. If there is approval from EDFES, then preliminary discussions can take place. The EDFES will brief the Commissioner on preliminary sponsorship discussions.

6.3.3 Sponsor approval process

Once potential sponsors are assessed as suitable by the Sponsorship Advisory Group, then a submission which includes the SEOI and the Sponsorship Agreement Checklist (SAC) needs to be made to the EDFES for approval and/or further recommendation to the Commissioner.

Sponsorship agreements must be subject to a written agreement. This might take the form of a contract or an exchange of letters.

The agreement should clearly set out the following:

- A description of the event/activity/project/enterprise being sponsored,
- the term of the sponsorship and any conditions affecting renewal,
- the costs and benefits, including economic, agreed to by each party,
- the obligations, rights and responsibilities of each party,
- reporting requirements, including format, frequency and standard of reporting,
- the acceptable use of the sponsorship relationship,
- the consequences of changes which may occur over time, such as a shift in the relationship, new policies, new corporate missions or objectives,
- financial accountability requirements,
- provisions for terminating or suspending the agreement,
- any special conditions which may apply;

Note: Contracts over \$150,000 are managed by Procurement and are reported under S27 of the Government Information (Public Access) Act 2009.

6.3.4 Review and reporting

NSW Government accountability obligations require the NSW RFS to report on sponsorship arrangements. Income or other benefits generated from sponsorships are reported in NSW Government budgetary processes including the Annual Report. Equally, sponsoring organisations are likely to require an acquittal of expenditure and report on outcomes to measure performance of investments.

The evaluation criteria should be weighed in order of priority as agreed by the SAG in order to determine appropriateness of the sponsorship opportunities to NSW RFS.

The NSW RFS will present details of sponsorship arrangements in its Annual Report, where required. Public reports on arrangements will include:

- > name of sponsor or partner
- > purpose of relationship
- > value
- > duration
- > valuation summary

6.4 Establishing and managing sponsorships (flowchart)

