

# SPONSORSHIP POLICY

## Purpose

This policy outlines principles to be followed by Strata Community Association (Vic) (SCA (Vic)) when seeking, providing, or receiving sponsorship. The objectives of sponsorship arrangements of SCA (Vic) are:

1. **Ensuring probity**
2. **Creating strong partnerships that are beneficial to all parties**
3. **Aligning partnerships with industry needs**
4. **Ensuring effective risk management**

## Application

The principles identified in this policy apply to SCA (Vic), its public officers and the Secretariat. SCA (Vic) is required to develop sponsorship procedures based on, and consistent with these principles.

## Definition

Under this policy 'Sponsorship' is defined as:

- The purchase of **rights or benefits**, including naming rights, delivered through association with SCA (Vic), products, services, or activities. The rights or benefits relate to the sponsor's reputation management and communication/marketing objectives.
- Sponsorship includes **partnership** arrangements, and does not include grants or Government funding, which are money, goods or other benefits provided to the recipient for a specified purpose, but with no expectations of attaining rights and benefits of the kind outlined above.
- Sponsorship may include the advertising space, editorial comment and advertorials.

## Complimentary Policies

This policy sets out principles relating to both financial and non-financial management of sponsorship in more detail. In accordance with the SCA (Vic) constitution, sponsorship arrangements are subject to audit.

This policy is to be read in conjunction with the SCA (Vic) Constitution and SCA (Vic) Member Code of Conduct.

## Sponsorship Levels

SCA (Vic) aims to achieve the highest level of confidence from sponsors and will consider all applications for sponsorship and not reject potential sponsors unreasonably in any category.

The number for each level is reviewed by SCA (Vic) and set each year:

- Platinum: Maximum of 4 and exclusivity
- Gold: Maximum of 12 with no more than 2 competing companies
- Silver: Maximum of 16 with no more than 3 competing companies

The Board of Directors will review sponsorship level maximums each year and will not allow an increase of more than two per level over any two-year period.

## **Exclusivity**

Varied exclusivity is applicable at all levels, dependent on sponsorship tier.

Exclusivity at Platinum level ensures no competing companies will be awarded this sponsorship level.

Where a company may offer a number of services and may overlap another company's service offering SCA (Vic) may offer both companies sponsorship but with limitations around advertising content.

The Board of Directors will review exclusivity restrictions each year and will not allow an increase of more than one per category over a five-year period.

## **Membership Requirements**

To be considered for sponsorship at any level, the applicant must hold SCA membership for a minimum of 12 months unless they are a key contact transferring across to a new business entity or if a new sponsor - the qualifying period may be waived at the discretion of the Board & upon payment of 2 years sponsorship & membership subscriptions – must be accompanied by references from 2 current SCA (Vic) members.

## **Transferring of Key Contacts for new sponsorship**

SCA (Vic) acknowledges that the key contact for a sponsor may change from time to time. A change may mean that the existing business entity no longer wishes to be a sponsor and the key stakeholder's new business entity may wish to take over the existing sponsorship position.

In the event the existing business entity no longer wishes to be a sponsor, the entity must provide a letter to SCA (Vic) advising that they do not wish to renew their sponsorship now the key contact has left the business entity. Should the sponsorship be paid until the end of the term and the end of the sponsorship is prior to this date, SCA (Vic) will reimburse the pro-rata balance of sponsorship fee.

The key contact must complete a new membership form (if the new entity is not yet an SCA (Vic) member) and place a sponsorship application requesting a certain level to the SCA (Vic) Board for approval. SCA (Vic) will invoice for the balance of sponsorship fee remaining for the period.

Recognition of tenure as sponsor transfers with the key stakeholder but will lose the entitlement to have an award until one becomes available.

The SCA (Vic) Board is to consider the transfer in line with other Membership and Sponsorship applications.

## Appropriate activity

SCA (Vic) aims to achieve the highest level of confidence in their ability to act in the Member's interest by restricting sponsorship to appropriate activity.

'Appropriate activity' is activity in which the introduction of a commercial sponsor would not reasonably be seen to compromise the Members or affect the SCA (Vic)'s ability to perform its duties impartially.

SCA (Vic) needs to be aware that while effective, sponsorship arrangements can bring many benefits, they can also increase reputational and conflict-of-interest risks in certain circumstances, particularly if SCA (Vic) has a regulatory role. Therefore:

- SCA (Vic) will specify in their sponsorship procedures any classes of activity or organisation that are deemed appropriate for sponsorship.
- In general, sponsorship will be confined to value-adding and supplementary activities, such as events and program support.
- SCA (Vic) will not accept sponsors from industries unrelated to the Strata industry, Member's priorities or SCA (Vic) objectives.
- SCA (Vic) will not accept sponsorship from individuals or political parties.

## Open and effective competition

Open and effective competition requires that opportunities to sponsor SCA (Vic) activities be offered to an appropriately broad field of potential sponsors.

SCA (Vic) sponsorship procedures will be transparent, provide potential sponsors with a genuine opportunity to network and do business with Members, and where possible, ensure competition among sponsors is limited, and provides 'value for money'.

In determining whether to offer advertising opportunities to sponsors, consideration will be given to the following factors:

### Platinum Attributes

- Aligns with SCA (Vic) strategic objectives
- Reputation and respect in the sector
- Advocacy activities for the sector
- Market share in the sector
- Commitment to SCA (Vic)
- Length of Sponsorship
- Length of membership
- Benefit to SCA (Vic) members
- Members of a peak industry body from their sector
- No breaches of code of conduct with any SCA or other peak industry body
- Conduct of past payment history

### Gold and Silver Attributes

- Aligns with SCA (Vic) strategic objectives
- The number of competitors in a sponsorship category

- The potential negative impacts of advertising on existing sponsorship agreements, or on existing offers
- Benefit to SCA (Vic) members
- Members of a peak industry body from their sector
- No breaches of code of conduct with any SCA or other peak industry body
- Conduct of past payment history

Where it is deemed appropriate to offer advertising opportunities over and above the approved prospectus, a direct approach will be made to several potential sponsors in a particular category. In these cases, the rationale for the decision will be documented and approved by the Board in consultation with the delegated entity.

In circumstances where an external organisation submits an unsolicited proposal to SCA (Vic) expressing interest in sponsoring a program or activity, consideration should be given to:

- whether the sponsor is a member of SCA (Vic)
- whether the sponsor will progress SCA (Vic)'s and Member interests.
- if it is feasible to call for expressions of interest from prospective sponsors for a mid-year intake, or tender for the right to be a sponsor.

In circumstances where an existing sponsor or sponsors seek to upgrade/fill a vacancy at a higher level, consideration will be given to:

- tenure as a sponsor at that level – longest serving having priority.
- Services provided to not conflict with exclusivity of another sponsor at that level
- services not to conflict with more than two sponsors at the desired sponsorship level

### **Selection**

Where a competitive process is undertaken, selection criteria should be established and used to select the successful sponsor/s. Each Attribute will be scored on a scale of 1 to 10 and an analysis of prospective competing sponsors and reasons for selecting the successful sponsorship recipient will be completed and documented.

## **Ethical behaviour and fair dealing**

Sponsors and sponsorship activities of SCA (Vic) will demonstrate high standards of ethical behaviour and fair dealing. The Secretariat, SCA (Vic) Board Members and any sub committees of the Board of Directors involved in sponsorship oversight, endorsement and or decision making must maintain a high level of integrity in all dealings including:

- disclosure and resolution of conflicts of interest
- receiving approaches from organisations that might be interpreted as attempts to obtain influence or advantage
- maintenance of confidentiality in respect to commercial-in-confidence, intellectual property
- issues, matters under negotiation and any other confidential information maintenance of high standards of accountability.

The Member Code of Conduct and any other directions issued from the SCA (Vic) Board should be consulted in respect to these and other matters of ethical behaviour and fair dealing. Breaches of ethical standards can lead to termination of sponsorship and or disciplinary action of SCA (Vic) office holders and employees.

SCA (Vic) will ensure that sponsorship arrangements do not include, or allow, the provision of private benefits, either to the parties to the arrangements or to third parties.

The independence of SCA (Vic) sponsorship activities must be maintained by not allowing decisions based on favouritism toward one sponsor, or to adversely influence decisions in respect of another sponsor.

Ranking of Sponsor logos will be displayed in tenure as a sponsor at that level – longest to shortest serving at that sponsorship level.

Position or option of position of sponsor booths or tables at conferences or events will be based tenure as a sponsor at that level – longest getting first choice of location.

Add-on opportunities for sponsorship outlined in the prospectus will be offered in order of level of sponsorship (Platinum then Gold then Silver) and each sponsor in that tier will be offered in order of based on tenure, longest serving first.

If co-sponsorship is offered for any event, promotional material displaying those sponsor logos will appear in order of level of sponsorship – highest first, followed by tenure of sponsorship – longest first.

Platinum and Gold have exclusive attendance to the Senior Leaders Retreat and the Senior Leaders Afternoon off. All levels of sponsorship have access to all other events.

Where one place becomes available at a higher level, selection for upgrade will be selected from the level immediately below and based on tenure of the longest serving.

## **SCA (Vic) responsibilities**

1. SCA (Vic) is particularly alert to the risks associated with accepting sponsorship from business entities subject to regulatory investigation.
2. Sponsorship agreements will have provision to terminate or suspend sponsorships should conflicts of interests be exposed.
3. This policy and subordinate procedures will ensure SCA (Vic) carries out its functions in regard to such Sponsors in a fair, accountable, and impartial manner.
4. All parties should understand clearly that the sponsorship arrangement has no bearing on the SCA (Vic) exercise of Secretariat and operational functions.
5. Disclaimer clause will state that should a SCA (Vic) be unable to deliver agreed sponsorship benefit due to unforeseeable circumstances, SCA (Vic) holds no warrantee or liability.
6. Termination clauses that specify the events that could lead to termination are any action by the sponsor organisation that results in public criticism/negative publicity that reflects badly on the SCA (Vic) or brings its probity into question.

## Alignment with SCA (Vic) priorities

Sponsorship activities will support the achievement of SCA (Vic)'s vision, mission and strategic objectives. Proposals seeking sponsorship must demonstrate how the sponsorship meets one or more of the following criteria:

- contributes to professionalisation of the Strata industry and delivers exceptional Member Value
- increases effectiveness of SCA (Vic)'s strategic programs and supports SCA (Vic) strategic goals and objectives
- communicates key messages to target audiences
- engages or builds relationships with Members

## Value for money

SCA (Vic) will ensure value for money is delivered to the sponsors. 'Value for money'. That includes consideration of including factors:

- exposure to SCA (Vic) Members
- naming rights for specific events, activities and programs
- opportunities for networking and engaging members
- thought leadership and opinion pieces
- editorial and other promotional opportunities through various platforms
- Brand awareness and brand placement

SCA (Vic) is required to maintain a register all sponsorships received.

## Appropriate acknowledgement

SCA (Vic) will ensure appropriate acknowledgement of sponsorship. Forms of acknowledgement will be negotiated in advance and documented in the sponsorship agreement. The acknowledgment should:

- be commensurate with the value of sponsorship provided
- indicate support for SCA (Vic) rather than just seeking access to Members
- Additional types of acknowledgements of particular activities such as naming rights of events and activities
- rights and acknowledgement in speeches and member communications.

## Effective management of sponsorships

When providing sponsorship, SCA (Vic) must ensure that all agreed benefits are delivered.

All sponsorship agreements will be documented, and clearly articulate the terms and conditions of the arrangement, including the payment terms, the entitlements available, and the consequences for non-delivery of benefits.

If sponsors are late paying instalments, their logos and other promotional material may be removed from Secretariat communication and marketing material.

Sponsorship arrangements, particularly those relating to naming rights, must have explicit end dates.

### **Hardship**

If any sponsor is in financial stress and are unable to pay all, some or none of the sponsorship by the due date, SCA (Vic) will work with the sponsor to see if we can help support to keep the sponsorship. Any arrangement entered into is subject to approval by the Board of Directors. Support options may include:

- offering instalment payments
- review of payment terms and dates
- decreasing benefits and/or sponsorship level

## **Application Process**

Organisations applying for Sponsorship must do so via the prescribed form as created by the SCA (Vic) Secretariat. Applications must be supported by the following documentation if not already previously submitted:

- Two written references or testimonials from customers, clients or suppliers; and
- Certificates confirming that each nominee has satisfied the professional admission or trade requirements of their particular industry; and
- For each nominee proof of current accreditation to practice, work or conduct business in their particular industry; and
- Proof of membership to the peak industry body of their industry; and
- For the applicant in the case of an application for membership and for each nominee (except where cover is the applicant's responsibility) proof of current professional indemnity or public liability cover; and
- Any other required information or documentation.

Upon completion of the application, including receipt of all supporting documentation, the SCA (Vic) Secretariat will provide the application to the SCA (Vic) Board for their consideration.

## **Contracts**

Contracts will be standard form and not varied without SCA (Vic) board approval.

Contract Terms will be no more than 12 months, with no rollover.

## **Payment Terms of Sponsorship**

Following the execution of the sponsorship contract by all parties for the full financial year, an invoice will be issued for either 50% or 100% of total sponsorship value. This half or full instalment must be paid by 31<sup>st</sup> August of that year and any remaining fee must be paid by 31<sup>st</sup> October of that year.

Any variation to the above payment terms must be approved by the Board of Directors.

## Appropriate authorisation

SCA (Vic) will implement procedures which ensure appropriate authorisation of sponsorship arrangements, and uphold the principles specified in this policy. The Sponsorship Policy will be adopted by the SCA (Vic) Board.

Decisions relating to the which sponsors are approved in what category will fall to the Board of Directors.

SCA (Vic) Sponsorship procedures established in pursuance with this policy will be approved by the Board of Directors. SCA (Vic) procedures will ensure that sponsorship agreements are appropriately authorised.

The value of the sponsorship and the level of risk entailed should be key determinants of the level of authorisation required.

Payments made in respect of a sponsorship should be appropriately authorised.

SCA (Vic) will apply effective management and reporting processes to ensure sponsorships achieve maximum value and accountability.

## Appropriate partnerships

SCA (Vic) will ensure that all partnerships created through sponsorship arrangements are appropriate, and that necessary safeguards are taken to protect Members and SCA (Vic)'s reputation.

'Appropriate partnerships' are those made with sponsorship partners whose values, activities, products and purposes are consistent with the values, activities, purposes and goals of SCA (Vic).

- SCA (Vic) will carry out reasonable background checks on potential sponsorship associates to ensure that their full range of business interests and activities, and any potential risks are identified.

For further information, contact [susan.chandler@strata.community](mailto:susan.chandler@strata.community)