

Sponsorship Policy and Guidelines

August 2010

Introduction

Sponsorship provides an opportunity to promote the work of the Department of Education and Early Childhood Development (DEECD) and can help you to communicate with specific target audiences within the community.

Sponsorship is generally defined as an investment in either cash or kind, which results in benefits for the sponsoring and sponsored party. Many now view sponsorship as a highly credible method of communication and particularly effective when the message is strongly related to the sponsorship activity.

These plain English guidelines are designed for you to use in association with the [Victorian Government Sponsorship Policy](#), which states in detail the principles to be followed by Victorian Government departments when engaging in sponsorship activities. The policy also makes it mandatory for each Government department to develop guidelines such as these.

While these guidelines are applicable to sponsorship of departmental initiatives (incoming) and sponsorship provided by the department to another organisation (outgoing), the primary focus is on outgoing sponsorships.

This document is designed for use primarily by DEECD staff to help them manage and evaluate sponsorship opportunities. However, this document and its supporting references maybe of use to external stakeholders when preparing sponsorship requests.

Definitions

As stated in the [Victorian Government Sponsorship Policy](#), sponsorship is defined as:

- The purchase of rights or benefits, including naming rights, delivered through association with the sponsored organisation's name, products, services or activities. The rights or benefits typically relate to the sponsor's reputation management or communication objectives.
- Sponsorship includes partnership arrangements, except where the arrangement is governed by the Partnerships Victoria Policy or otherwise involves the development or management of infrastructure.
- Sponsorship does not include grants, 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 does not include bequests which impose no obligations on the recipient and offer little or no rights or benefits to the provider.
- Sponsorship does not include the sale of advertising space, editorial comment, or advertorials.

Relevant Legislation and Policies

Section 4 of the [Victorian Government Sponsorship Policy](#) provides details of legislation and other policies relevant to Government sponsorship. It also lists some useful references.

Ensuring Probity

Appropriate Activity

Section 5.1.1 of the [Victorian Government Sponsorship Policy](#) states that departments should not engage in sponsorship that may be inappropriate, either through association or activity. Section 5.4.1 of the policy provides additional information on appropriate association.

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In addition to the activities and associations detailed in the Government policy, the DEECD considers the following classes of activity or organisations as inappropriate for the purposes of sponsorship:

- activities aimed at delivering or replacing core DEECD or agency services
- activities or sponsorship partners whose values, products, purposes or objectives are inconsistent with the department's or Government's policies, values, priorities or objectives
- political parties, tobacco companies, gaming venues, companies involved in the sale/promotion of alcohol, companies involved in the sale/promotion of firearms
- religious organisations or religious activities
- organisations whose primary purpose is the creation of profit
- unregistered charities and not-for-profit organisations
- organisations or companies that are financially unsound or unstable (see section on implementing effective risk management)
- agencies with inspectorial or regulatory powers over the department
- any activity or organisation requiring the department to directly endorse or promote its products and/or services
- any activity in breach of the [Code of Conduct for the Victorian Public Sector](#).

Open and Effective Competition

Open and effective competition is a key principle of the Government policy. Section 5.1.2 of the [Victorian Government Sponsorship Policy](#) provides details on open and effective competition and useful points to consider when deciding whether to publicly advertise a sponsorship opportunity. It also provides details on receiving unsolicited proposals to sponsor Government activities. Essentially, the process needs to be fair when assessing such proposals and give everyone the opportunity to express interest.

In relation to outgoing sponsorship, departments are not required to invite expressions of interest, but of course, all sponsorships must be assessed against project or program criteria.

Ethical Behaviour and Fair Dealing

Section 5.1.3 of the [Victorian Government Sponsorship Policy](#) relates to ethical behaviour and fair dealing. In effect, it states that our sponsorship activities and relationships must not influence our decisions and behaviour in relation to other financial matters, such as purchasing and funding decisions. All our dealings must comply with the [Code of Conduct for the Victorian Public Sector](#) and the [Privacy Information Act 2000](#).

Achieving efficiency and effectiveness

Alignment with Government and/or Agency Priorities

Section 5.2 of the [Victorian Government Sponsorship Policy](#) states that departments should do everything in their power to achieve the best possible outcomes from their sponsorship activities.

Section 5.2.1 of the [Victorian Government Sponsorship Policy](#) provides clear criteria when considering proposals for incoming or outgoing sponsorship. This essentially describes the best uses of sponsorship:

Proposals to provide or seek sponsorship must demonstrate how the sponsorship meets one or more of the following criteria:

- contributes to advancement of Victorian whole-of-government priorities
- supports the agency's goals and objectives
- increases effectiveness of the agency's strategic programs
- communicates key messages to target audiences
- engages or builds relationships with key stakeholders.

Value for Money

Value for money is not necessarily about the highest or lowest dollar amount, but the best possible outcome you can achieve in relation to the project and the department and Government's objectives. For example, a sponsorship proposal may demonstrate good value for money because it uses an innovative or otherwise unattainable method to reach a key DEECD audience or, because it offers an extremely low risk activity or association.

To assess value for money, a number of risks and benefits need to be considered. Section 5.2.2 of the [Victorian Government Sponsorship Policy](#) provides clear details. For incoming sponsorships, you may wish to provide a Sponsorship Project Template or Sponsorship Business Case Template to those seeking Government sponsorship. Both documents can be found on the [sponsorship page on EduGate](#). The details provided will help you in assessing the value for money of the proposed sponsorship. If the sponsorship is significant, you may wish to engage (at a cost to you) a member of

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the [Marketing Services Panel](#) to help you achieve the best value through your sponsorship. A number of panel members offer sponsorship-related services.

Another area to consider is duplication across Government. It is not an efficient use of Government funds if two or more Government departments are providing sponsorship to the same organisation. Conversely, it might be useful to know if another department is attempting to secure sponsorship from the same organisation as you. In both cases, greater communication across Government would avoid duplicated effort and possibly deliver additional benefits.

Information held in the Department of Premier and Cabinet's Government Sponsorship Register may also help you to better manage your sponsorship negotiations.

Appropriate Acknowledgement

As per section 5.2.3 of the [Victorian Government Sponsorship Policy](#), acknowledgement of the department should comply with the policy. This section also suggests possible acknowledgement options. A recommended format for acknowledgement of Government support can be found as Attachment 1 to the [Victorian Government Sponsorship Policy](#). For advice on signage and branding options, refer to the [Victorian Government Branding Policy and Guidelines](#).

Benefits

The Victorian Government policy does not explicitly discuss sponsorship benefits. By 'benefits' we mean exactly what the department receives for its sponsorship investment and any additional or potential value. Often, a party seeking sponsorship will offer a 'package' of benefits and it is during the assessment of such a package that there is an opportunity for the department to negotiate what is on offer. A typical package may include benefits such as: public acknowledgements, logo placement and signage, a speaking engagement, and advertising. But there are many other benefits that can be considered or negotiated including naming rights, access to mailing lists, placement and promotion of web links, publicity, opportunities to network, placement of articles in targeted publications, competitions etc.

Assigning a dollar value to each benefit can be difficult and should be done on a case-by-case basis. Much depends on the nature of the sponsored organisation, the relationship we have with them, and the potential 'value add' of each benefit. For example, there may be unforeseen benefits such as increased awareness of your message through word of mouth.

In addition to the benefits the sponsored party will deliver, the department should play an active role in participating in the sponsorship. For example, by attending events and actively promoting the sponsorship to key target audiences.

You may wish to engage a member of the Victorian Government [Marketing Services Panel](#) to assist you with your sponsorship strategy.

Ministerial Involvement

If appropriate, the relevant Minister should be given the opportunity to announce the department's support or participate in any relevant activities associated with the sponsorship.

Effective Management

Either the process flowchart for incoming or outgoing sponsorships (available on the [Sponsorships page on EduGate](#)) may be helpful in providing a management framework for sponsorships.

Before implementing the sponsorship

As detailed in section 5.2.4 of the [Victorian Government Sponsorship Policy](#), all sponsorship proposals should have clear and articulated objectives, key performance criteria, and an evaluation plan. Completing the Assessing Sponsorship Checklist (available on the Sponsorships page on EduGate) and the development of a business or project plan may assist you.

As a result of changes to the Government Communication Review Group (GCRG) only sponsorships with an advertising media spend exceeding \$50,000, and thus requiring Master Agency Media Service (MAMS) approval number, should complete a business case and be reported to the GCRG before implementation. A Sponsorship Business Case Template is available on EduGate.

If you decide not to go ahead with an outgoing sponsorship offer, an Outgoing Sponsorship Rejection Letter is available for use on EduGate.

Once you have approval and agreement on all conditions and benefits of an outgoing sponsorship, a confirmation letter is required from DEECD. In the case of agreements that need to be reported to the GCRG, either a completed Simple

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Sponsorship Engagement Letter or, for sponsorship activities that may be significant or sensitive, a completed Outgoing Sponsorship Engagement Letter, Schedule, and Conditions should be provided to the relevant party and a copy held on file.

All DEECD financial sponsorship agreements and significant in-kind arrangements must be appropriately documented and reported to the relevant financial delegate. Usual records management practices should be followed.

During sponsorship implementation

Financial sponsorships should be treated like any other financial arrangement and established departmental financial management policies and processes must be followed. For more information, see the [Financial Management Act 1994](#).

In addition to formal processes, it's worth keeping in regular contact with your sponsorship partner to assess the progress of your sponsorship and enhance the sponsorship relationship.

After implementing the sponsorship

All DEECD sponsorship activities should have a Post Evaluation Report completed at the end of the sponsorship period (or annually for long-term projects). You may wish to incorporate evaluation feedback from the sponsored body into your own report or, you may seek a separate report from the sponsored body. The Sponsorship page on EduGate provides an outline of a Post Sponsorship Evaluation Report that can be used by the department or the sponsored body. You can add or delete questions as appropriate. Evaluation reports must be provided to the Communications Division for all sponsorships that have been reported to the GCRG. For more information contact the Manager, Marketing & Communications, Communications Division.

Ensuring accountability

Appropriate Authorisation

Section 5.3.1 of the [Victorian Government Sponsorship Policy](#) refers to departmental authorisation processes. Financial sponsorships should be treated like any other financial arrangement and established financial delegation procedures and monitoring processes must be adhered to. Refer to the DEECD purchasing guidelines for more information.

In addition, certain risks associated with particular sponsorship activities eg. naming rights, may warrant high level approval. For information on authorisation of naming rights as part of a sponsorship, see Implementing Effective Risk Management, below.

Effective Reporting

Evaluation reports must be provided to the Communications Division for all sponsorships that have been reported to the GCRG. As per the department's [GCRG guidelines](#):

Departmental campaign advertising with media expenditure over \$50,000 requires approval by the General Manager, Communications as well as endorsement by the Deputy Secretary, OPSC. It then needs to proceed to the Government Communications Review Group for consideration before being approved by the Communications Sub Committee of Cabinet (this is a six weeks process), before it can be booked with the Government's media buyer (Mitchell and Partners).

All sponsorship activities valued over \$50,000 or considered to be significant or sensitive, must be reported to the Government Communications Review Group (GCRG) before their implementation. If you are unsure whether your sponsorship involves a significant or sensitive activity or, you would like more information on the GCRG process, contact Manager, Marketing & Communications Planning, Communications Division.

All DEECD financial sponsorship agreements (and significant in-kind arrangements) must be appropriately documented and reported to the relevant financial delegate. Usual records management practices should be followed.

Implementing effective risk management

Appropriate Association

Section 5.4.1 of the [Victorian Government Sponsorship Policy](#) points out some of the risks associated with sponsorship activities. To properly assess the level of risk associated with your sponsorship, it's important to conduct a proper risk assessment. This need not be complicated; the Assessing Sponsorship Checklist on the Sponsorship page on EduGate may be useful.

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Naming Rights

The issuing of naming rights poses a particular risk. If you are offering naming rights to an external organisation for a Government asset, event or initiative (eg. 'the Acme 150 Years of Parliament in Victoria') the level of risk posed by the association must be seriously considered and authorisation must first be sought from the relevant Minister. If you are requesting that Government naming rights be applied to an external asset, event or initiative (eg. 'the Best Start Children's Festival') authorisation must be sought from the DEECD Secretary.

Financial Risks

Section 5.4.2 of the [Victorian Government Sponsorship Policy](#) is specifically about financial risks and reinforces the need to identify potential risks (including risk of financial insolvency and lack of adequate insurance) and manage them accordingly.

The [Victorian Government Purchasing Board \(VGPB\)](#) website provides guidance on preparation of a risk management plan. For significant outgoing financial sponsorship, you may wish to engage a VGPB contractor (at a cost to you) to conduct a financial appraisal.

Useful tools and references

These guidelines and related documents are available in the [Sponsorship section of EduGate](#).

Policies and guidelines

- Department of Education and Early Childhood Development Sponsorship Policies and Guidelines
- Victorian Government Sponsorship Policy

Process Flowcharts

- Incoming Sponsorships Flowchart - One page diagram explaining the incoming sponsorship process
- Outgoing Sponsorships Flowchart – One page diagram explaining the outgoing sponsorship process

Assessing Sponsorship Opportunities

- Assessing Sponsorship Checklist – This checklist may help you to assess a sponsorship proposal and identify any possible risks.
- Seeking More Information Form – This form is designed to be sent to an organisation that has provided a sponsorship proposal, for which you need additional information, in order to assess it. The form could also shape discussion at a meeting with the organisation.
- Outgoing Sponsorship Rejection Letter – This template can be modified and used to reject an outgoing sponsorship proposal.

Accepting a Sponsorship

- Simple Outgoing Sponsorship Engagement Letter – Use this letter to accept a simple sponsorship proposal.
- Outgoing Sponsorship Engagement Letter – Use this letter, along with the Sponsorship Agreement/ Contract Schedule and Sponsorship Conditions to accept an outgoing sponsorship proposal.
- Sponsorship Agreement/ Contract Schedule – This document sets out the terms of the sponsorship agreement.
- Sponsorship Conditions – This document sets out the conditions under which an outgoing sponsorship is granted.

Post-sponsorship

- Post Sponsorship Evaluation Report – This document contains a series of questions to help you evaluate a sponsorship activity once it is complete.
- Sponsorship Evaluation and Feedback Letter – This letter is designed to accompany either the Incoming or Outgoing Sponsorship Evaluation Form
- Outgoing Sponsorship Evaluation Form – This form can be used to gain feedback from the organisation or activity you sponsored.
- Incoming Sponsorship Evaluation Form – This form can be used to gain feedback from the organisation that sponsored DEECD

Other Guides and References

- Sponsorship Project Template – This document may help you assess value for money, risks and benefits.
- Sponsorship Business Case Template – Developing a business case can help you decide if the project as outlined should be undertaken.
- Communication Strategy Template – Use this template to help develop coordinated communications to support your sponsorship.