



EQUESTRIAN
QUEENSLAND

SPONSORSHIP & ADVERTISING POLICY

Policy Area: Management

Policy Number: EQ 0000

Effective Date: 1 January 2014

Principles and Procedures

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If your proposed sponsorship or advertising agreement meets the following elements, then this policy must be adhered to:

1. Is your sponsorship more than \$5,000 over the life of the agreement?
2. Is there a potential conflict of interested with this sponsorship?
3. Does the sponsorship involve naming rights?
4. Is the event a State, National or International level event?
5. Does the sponsorship have statewide implications?
6. Is your advertising ongoing program ongoing or over \$2,000 in costs?
7. Are you uncertain of the bona fides of the sponsor/advertiser?
8. Are you providing sponsorship to an external group this is worth \$2,000 or more?

Policy Statement

Sponsorship and advertising agreements may be entered into if they are consistent with the values and purpose of equestrian sport and derive benefits for the sport and those participating in it.

This policy is designed to maintain confidence in the sport's activities by ensuring commercial sponsorship and advertising arrangements are undertaken in an open, transparent, fair and responsible manner.

Scope

This policy applies to:

- Equestrian Queensland and its associated Sport Committees; and
- Regional or local sub-committees of all Sport Committees

The policy does not apply to donations or grants.

The policy takes effect from 1 January 2014.

All sponsorship and advertising arrangements made or renewed from 1 January 2014 must comply with the requirements of the policy, unless it is not possible contractually, in which case, such arrangements must be made compliant as soon as practicable.

Principles

The principles of sponsorship and advertising management are:

- Integrity of Equestrian Queensland Inc and its Sport Committees
- Alignment with Board priorities
- Appropriate acknowledgement
- Appropriate activity
- Appropriate association
- Appropriate authorisation
- Ethical behaviour and fair dealing
- Open and effective competition
- Effective management and reporting

Roles and Responsibilities

Roles and responsibilities are assigned on the basis of the value and sensitivity of the sponsorship or advertising proposal.

The Sport is to:

- Consider all sponsorship and advertising proposals against the requirements of this policy and procedures.
- Gain the agreement of the Board/Sport Committee for any proposal considered acceptable in terms of this policy, prior to its acceptance.
- Document all processes locally and register all incoming sponsorships valued at more than \$5,000.
- Document instances where the potential sponsor or advertiser is a friend, relative or business associate and declare this conflict of interest to the others involved.
- Seek endorsement of the sponsorship by the General Manager, if
 - it involves naming rights, or
 - is the first of their kind for the sport; or
 - involves significant events; or Sponsorship and Advertising
 - has statewide implications.

Principles and Procedures

1. Definitions

Sponsorship and advertising are often confused. They are different activities, which can be differentiated by the following:

- Control - in advertising there is considerable control over the content, timing and positioning of advertisements. In comparison, sponsors have less control over the management and conduct of the sponsored activity or event.
- Function - advertising is used to elicit a positive response and to create consumer preference. Sponsorship indirectly contributes to company, brand or product awareness.
- Message - the advertising message is explicit, informative and persuasive. The sponsorship message is indirect, and is designed to improve image or build identity.

1.1 Sponsorship

Sponsorship is a commercial arrangement involving the right to associate the name, products or services of a sponsor with an organisation's services, products or activities in return for negotiated benefits in cash or kind.

Incoming sponsorship refers to cash and/or in kind that is received by the sport in exchange for an agreed benefit and form of recognition for a business or other body.

Outgoing sponsorship is typically undertaken at a Board level and refers to sponsorships that are provided to another party, e.g. when the Board sponsors an event, such as an FEI event conducted by another organisation, in exchange for appropriate recognition at the event of the Board's sponsorship.

1.2 Advertising

This is the direct promotion of a company through space or airtime purchased from EQ or the sport for that specific purpose. This includes advertising, such as on perimeter fences, notice boards, equipment, publications and Internet sites, corporate-sponsored materials or corporate-sponsored contests and incentives and inclusion of material in newsletters.

Advertising may be incoming, e.g. where a local business pays to advertise in the sports newsletter, or outgoing, e.g. where the sport pays to place an advertisement in a newspaper, magazine or the like.

1.3 Naming rights

This is a form of sponsorship where a major sponsor, in addition to the rights and benefits of sponsorship, has negotiated the right to have the name of the sponsor added as a prefix to the organisation, event name or facility.

1.4 Donation or Gift

These forms of support impose no obligations on the receiver and offer little or no return to the donor. Tax deductions can also be claimed under section 78(1) of the Income Tax Assessment Act 1936 (Cwlth). A donation or a gift is not a sponsorship as it has no service orientation.

1.5 Endorsement

This means the support, approval or recommendation of a product or service, to the potential exclusion of others.

1.6 Fundraising

This means activities to raise funds, such as chocolate or lamington drives by the sport or club for the sole benefit of sport or club activities or purposes.

1.7 Grant

This is money or goods provided by a government or other agency to a recipient, with the understanding there will be a defined outcome. A grant is not a sponsorship.

1.8 Product endorsement

This is a sponsorship or advertising arrangement that involves the sport acting on behalf of a company to sell, recommend or endorse a company's products or services. Product endorsement is an unacceptable form of sponsorship or advertising.

1.9 Promotion or incentive schemes

Promotions or incentive schemes are a form of product marketing. They are arrangements conducted by a company that are intended for commercial or other benefits, and which involve and reward athletes, clubs or the sport for participating in such schemes.

2. Principles and Procedures

2.1 Alignment with Equestrian Queensland priorities

Sponsorship and advertising must not detract from the strategic goals of the Sport and must demonstrate consistency with the principles of this policy and align with the priorities of Equestrian Queensland Inc.

2.2 Appropriate acknowledgement

Appropriate acknowledgement is a condition of all sponsorship agreements. The form of acknowledgement to be given to a sponsor should be documented in the sponsorship agreement.

Where the contribution of the sponsor to events or assets is minor compared to the level of Board/Sport funding invested, the recognition afforded to the sponsor should be in proportion, so as to not overwhelm the recognition of the Board/Sport's contribution.

When the Board/Sports are providing sponsorship they should ensure that the sponsored organisation provides public acknowledgement of that support. The prominence of that acknowledgement should be in proportion to the value of the sponsorship provided.

Display of Equestrian Queensland logo:

Whenever the sport's logo is displayed as part of a joint acknowledgement or promotion, the emblem or logo must be of similar or greater size to that used by the commercial partner.

2.3 Appropriate activity

Sponsorship and advertising must maintain or enhance the public profile of the sport.

Unacceptable sponsorship or advertising activity:

- Sponsorship or advertising in which the involvement of a commercial sponsor or advertiser could reasonably be seen to diminish the profile of the sport.
- Sponsorship or advertising conflicting with the core business of the sport (i.e. provision of sport based services).
- Sponsorship or advertising involving endorsement of products or services.
- Sponsorship or advertising that is not consistent with the equity policies of the sport.
- Any outgoing sponsorship that conflicts with events and initiatives of Equestrian Queensland.
- Participation in any venture that compromises the sport and its participants and/or their parents'/guardians' privacy, including providing personal information about athletes, parents/guardians, staff or other members of the sports community to any organisation not authorised to access this information.
- An unsolicited offer of a gift or benefit, where the benefit will only be accrued upon the indirect supply of contact details of participants and their parents or guardians.

Permissible sponsorship recognition:

- Public notices, via newspaper, radio, television or any other form of public media.
- Appropriate editorial material, simple acknowledgment or a by-line or foreword from the sponsor in EQ enews or the like.
- Plaques, pictures or other notices at events or at the place of business of the sponsor.
- Lists of sponsors in newsletters and the Annual Report.
- A letter of appreciation to the sponsor.
- The name or logo of a commercial partner on sport signs or uniforms.
- A sign indicating the name and/or logo of the sponsor, for the duration of a sponsored activity, or for an agreed period of time. The location, prominence and design of such a sign must be tasteful and respectful of the cultural values the sport.
- Naming rights of events, equipment, materials or facilities, subject to appropriate approval.
- Attendance of a representative(s) of the sponsor at sport functions and the opportunity to make an address or present awards at such functions.
- Acknowledgement in speeches.

2.4 Appropriate association

Sponsorship and advertising agreements must only be negotiated with organisations whose public image, products or services are compatible with the ethos, values and purpose of the sport. By accepting or giving sponsorship or advertising, the sport is sharing its reputation with that of the sponsor or advertiser.

Unacceptable sponsor or advertiser organisations:

- Produce products that may be potentially harmful to the health of participants, such as tobacco or alcohol.
- Have a public reputation that conflicts with the values of the sport, such as those associated with questionable corporate practices or those associated with discriminatory attitudes (e.g. racist or sexist attitudes).

Unacceptable sponsorships and advertisements:

- Are contrary to the ethos, values and purpose of the sport.
- Are discriminatory, obscene, or degrading.
- Incite people to commit illegal acts or violate sport rules.
- Promote or condone alcohol consumption or drink driving by young people.
- Portray violence, undue aggression and menacing or horrific elements likely to disturb children and young people.
- Are otherwise objectionable or offensive.

Other considerations -

Care should also be taken before accepting sponsorship and advertising from any person or organisation that is:

- Currently tendering for, or likely to tender for contracts, so as to avoid perceptions of bias in granting a contract.
- A competitor to an existing sponsor, if it is contrary to an agreement with the existing sponsor, or likely to jeopardise the existing sponsorship.
- A competitor to an existing provider.
- A friend, relative or business associate of a Board member or sport committee member. In such cases, the decision-maker must declare the conflict of interest and, if practical, withdraw from the decision-making process and pass the decision to another person. If it is not practical to withdraw, the conflict of interest must be declared to the others involved.

Before entering sponsorship and advertising agreements consider the following issues:

- Purchasing sponsorship and advertising are independent activities, and decisions in relation to one activity should not influence decisions made in relation to another.

- If there is any doubt about the ethics of the marketing practices or bona fides of a company, the Office of Fair Trading can be consulted for advice (telephone 1300 658 030 or <http://www.fairtrading.qld.gov.au/>).

2.5 Appropriate authorisation

Sponsorship and advertising must follow the authorisation and management processes required by this policy and its procedures. Sponsorship and advertising activities within sports can only be undertaken with the agreement of the sports committee and/or the EQ Board, following consultation on the proposal.

EQ Sports must, through the General Manager forward on sponsorship and advertising proposals for assessment and endorsement, when the proposal:

- Is in excess of \$5,000 (net); or
- Has the potential to be controversial; or
- Involves naming rights; or
- Are the first of their kind for the sport; or
- Involves a national or international level event; or
- Has a state-wide implication; or
- Involves outgoing sponsorship in excess of \$2,000

2.6 Ethical Behaviour and Fair Dealing

To ensure the sports/athletes confidence in sponsorship and advertising processes, all involved must act ethically and fairly.

Sport Committee members must:

- Ensure their private interests do not conflict with their sport committee duties.
- Not accept or seek gifts or other favours.
- Not entertain approaches from sponsors or sponsorship recipients that might be interpreted as attempts to influence any selection process.
- Maintain confidentiality in their dealings
- Maintain high standards of accountability.
- Apply systems and procedures that ensure an equitable, efficient and effective approach to sponsorship and advertising.
- Not create the impression that the provision of sponsorship funding is a requirement for future business dealings with EQ or the respective sport.
- Comply with all relevant laws and regulations.

If there are any doubts about the ethics of a sponsorship or advertising proposal, the test is whether or not the arrangement would withstand critical Board and public scrutiny. Relations with corporate sponsors need to be conducted in a transparent manner and be able to withstand Board scrutiny so as to preserve sport trust.

Provision of goods in-kind -

Instead of money, some sponsors or advertisers prefer to provide goods or services, otherwise known as in-kind items. This may include event tickets, travel, press, radio and television coverage, as well as food, beverages and other consumer goods. This practice is acceptable provided:

- Parties agree on a fair and justifiable value for the items.
- The value of the items is included in the total value of the sponsorship or advertising agreement.
- Benefits are for the organisation and not the individuals organising the sponsorship or advertising.
- Processes are properly documented and managed.
- Accountability is maintained.

2.7 Open and Effective Competition

Sponsorship or advertising opportunities should usually be publicised so as to be fair to all potential sponsors or advertisers, and to ensure that a reasonable price is obtained and sport confidence in the process is promoted.

To avoid any allegations of impropriety, sponsorship and advertising agreements must be developed in a transparent, open and accountable manner.

When seeking sponsorship or advertising, competitive processes should be used. In the case of sponsorship, this requires notification of all known sources in the locality having the appropriate product or service. In situations where there are a limited number of suppliers, it would be reasonable to approach all potential suppliers, rather than advertise for sponsors.

Where an unsolicited offer of sponsorship or advertising is received, the sport may wish to use a competitive process where there are other providers of similar products or services in the market place. This could be achieved by calling for expressions of interest or sending a letter to known competitors. It is important to protect the commercially valuable ideas and strategies of the organisation or individual that proposed the original offer. Commercially sensitive information should be protected, because it is the property of the initiator of the proposal.

2.8 Effective Management and Reporting

Sponsorship and advertising arrangements should be confirmed by a written agreement, reported and recorded as required and evaluated annually, as well as prior to renewal.

Agreements -

Sponsorship and advertising agreements should clearly state the rights and benefits being offered, agreed payment terms, the obligations on each party and be signed by the General Manager.

For arrangements of low value or complexity a letter, receipt or local document may be used.

Where the arrangement involves complex or numerous terms or benefits or large values, sports are encouraged to formalise the arrangement in a formal agreement.

Reporting -

The General Manager must be notified of all incoming sponsorships valued over \$5,000. This includes sponsorships in-kind, involving goods or services that should be valued according to an estimate of the price the sponsor would usually charge for them. In such cases the sponsor can be asked to provide an estimate of the value as it relates to in-kind or provision of goods and services for the purposes of the sponsorship.

Recording -

Records of all sponsorship and advertising agreements should be kept locally, and reported on monthly to the Board via Sport Committee meetings and associated minutes.

Evaluation -

Sponsorship and advertising agreements should be evaluated annually, for their effectiveness in achieving outcomes for the sport and the sponsor alike. This process will help the sport in their event and activity planning process for the upcoming year from a sponsorship perspective.

Conclusion

While this Policy is meant to be directive in nature, it is not exhaustive of the circumstances that may arise.

As such, please do not hesitate to contact the General Manager should you require further clarification of any aspect of this policy or to clarify any matter that may not be specifically covered herein.