

## Youth Solutions – Financial Management

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### 1 Policy statement

This policy aims to guide Youth Solutions when entering into sponsorship or partnership arrangements, receiving interest or donations. It also aims to ensure financial reporting obligations are met.

### 2 Purpose, scope and outcomes

This policy applies to the Board, management, staff and the Fundraising Committee. This policy should be referred and adhered to when seeking donations, sponsorship or partnerships.

### 3 Definitions

Please refer to the Policy and Procedure Definitions document, section 3.1 Financial Management, for all definitions.

### 4 Principles

Youth Solutions, through its Corporate Partnership Program, welcomes and actively seeks to establish relationships with other services, businesses, government bodies and organisations. These relationships can include developing partnerships, securing sponsorship or donations.

Any partnership, sponsorship or donation made to Youth Solutions or to any event, project, program or activity held by Youth Solutions does not entitle the donating, sponsoring or partnering organisation any influence over the decisions of the Service.

Youth Solutions will not enter into any alliance or partnership with, or accept sponsorship or donations from, any corporation or organisation where an association with the prospective partner or acceptance of sponsorship would jeopardise the financial, legal or moral integrity of Youth Solutions or adversely impact upon Youth Solutions' standing and reputation in the community. For example, all tobacco, alcohol and pharmaceutical-related sponsorships are prohibited.

Youth Solutions will accept sponsorships as an additional source of revenue generation, provided that all sponsorship alliances are developed and maintained within the regulations embodied in this policy.

### 5 Policy detail, action and procedures

Sponsorships and partnerships are often associated with specific events and activities. Accordingly this policy should be implemented closely alongside the Policy – Fundraising Events and Activities, Policy – Program and Project Planning and Procedure – Event Management.

#### 5.1 Sponsorship and sponsorship agreements

Sponsorship is the negotiated provision of funds, goods or services to Youth Solutions in exchange for advertising, publicity or other benefits.

## POLICY – CORPORATE PARTNERSHIP PROGRAM

Sponsorship may take the form of cash support and/or provision of material goods or other resources, such as labour or facilities, in exchange for agreed acknowledgment.

A sponsorship agreement is a written document outlining the negotiated terms for a sponsorship.

Agreements may take the form of:

- an exchange of letters
- a formal sponsorship agreement
- a sponsorship contract and schedule
- a full legal agreement

The below table acts a guide for the documentation required for a sponsorship agreement:

Amount	Negotiated by	Approved by	Documentation required
Up to \$2500	Employee	CEO	<ul style="list-style-type: none"> <li>• Exchange of letters</li> </ul>
\$2,500 - \$10,000	Employee and CEO	CEO	<ul style="list-style-type: none"> <li>• Exchange of letters (these must strictly detail the obligation of both parties)</li> <li>• Sponsorship agreement is optional</li> </ul>
\$10,001 - \$20,000	CEO	CEO	<ul style="list-style-type: none"> <li>• Exchange of letters (these must strictly detail the obligation of both parties)</li> <li>• Sponsorship agreement is optional</li> </ul>
\$20,001 - \$100,000	CEO	Board	<ul style="list-style-type: none"> <li>• Sponsorship agreement / contract and schedule</li> </ul>
\$100,001 +	CEO	Board	<ul style="list-style-type: none"> <li>• A full legal contract</li> </ul>

Sponsorship agreements must not compromise the professional standard and ethics of staff.

Sponsorship must be seen as an opportunity to enhance Youth Solutions and viewed as a supplement to activities. Sponsorship must not be relied on as a permanent source of funds and not as the major source of funds for core Youth Solutions service delivery.

Direct sponsorship agreements should only be negotiated with organisations whose public image, products and services are consistent with the values, corporate purpose, goals and specific policies of Youth Solutions.

The benefits of any sponsorship or partnership must benefit Youth Solutions as a whole.

Any company or organisation whose name is associated with the manufacture, distribution or sale of tobacco products, alcoholic beverages, pharmaceutical drugs, pornography or weapons is regarded as an inappropriate sponsor. This would not necessarily preclude involvement with local clubs, supermarkets and other businesses, provided that their name is not linked to inappropriate products.

### **5.2 Appropriate promotion of sponsors, partners and donors and staff involvement**

Although partnerships or sponsorship agreements may provide exposure of the sponsor or partner's corporate logo or name, the written agreement must not endorse or recommend any product or service. Furthermore staff may not be involved in marketing commercial products of sponsors.

Youth Solutions staff should not actively recommend or endorse a product or service and no statement in the sponsor's advertising should imply that a product or service is recommended or endorsed by Youth Solutions.

Staff must not individually benefit as a result of sponsorship, partnerships or donations. Staff must not take, or seek to take, improper advantage of their position in order to obtain benefits for themselves, their family or any other person or organisation. The benefits of a sponsorship, partnership or donation must go to Youth Solutions as a whole.

### **5.3 Reporting**

Donations to Youth Solutions must be treated in accordance with the Charitable Fundraising guidelines provided by NSW Fair Trading and other applicable rules and requirements as set out by the NSW Office of Liquor and Gaming (OLGR).

Donations of prizes or services should be recorded in the Register – Donation Management and Allocation.

Financial donations and sponsorship should be recorded in the Register – Corporate Partnership Program.

Donations used for competitions and raffles must follow the Procedure – Competitions and Raffles.

### **5.4 Income**

All sponsorship, partnership or donation monies received by Youth Solutions become monies of the *Macarthur Drug and Alcohol Services Committee Inc* and will remain under the control of the Board.

The Public Fund Account is utilised for all deductible contributions (sponsorship monies) made to Youth Solutions. In the event of the Service being wound up or dissolved, any surplus assets remaining after the payment of the Service's liabilities shall be transferred to another fund, authority or institution which has similar objectives and to which income tax deductible gifts can be made.

### **5.5 Benefits of sponsorship**

The benefits Youth Solutions can receive from corporate sponsorship include:

- promoting the public profile of Youth Solutions to a wider-than-normal audience. This may include increasing general community awareness of a project or activity
- providing funding for publications, conferences or other special activities that promote the program and/or agency
- providing Youth Solutions with an opportunity to develop better working relationships with stakeholders
- the injection of resources, either directly as cash sponsorship or indirectly as in-kind sponsorship. This may reduce the costs to Youth Solutions of performing a particular activity or allow for enhanced program delivery and/or expansion

# POLICY – CORPORATE PARTNERSHIP PROGRAM

All Youth Solutions sponsors and partners receive recognition and benefits for their support of the Service. These benefits are outlined in the Matrix – Corporate Partnership Program and correspond to the amount the organisation contributes to Youth Solutions annually.

The Matrix – Corporate Partnership Program can be used as a tool to secure partners and sponsors, by informing them of what they can expect from the partnership with Youth Solutions.

The Matrix – Corporate Partnership Program is only a guide and the benefits and recognition of a sponsorship or partnership arrangement will change in line with the corresponding project, campaign or event. These benefits, along with any additional benefits, should be outlined in a proposal letter or sponsorship or partnership prospectus. For example, sponsors of the Youth Solutions Annual Charity Event receive tickets to the event and logo recognition in the event program, which is in addition to the benefits outlined in the Matrix – Corporate Partnership Program.

In some instances, Youth Solutions may offer naming rights for a project, campaign or activity in line with a sponsorship or partnership. Naming rights associated with any sponsorship or partnership must first be approved by the Board.

Youth Solutions' corporate partners and sponsors will be kept track of via the Register – Corporate Partnership Program.

## **5.6 Actions and measures**

The negotiation of sponsorship agreements must proceed according to the following measures no matter what the size and scope of the sponsorship arrangement. The rationale for the activity to be sponsored should be foremost in discussions and specified in the sponsorship agreement.

When considering an organisation or company as a potential sponsor, Youth Solutions should evaluate the appropriateness of:

- the type of products or services the organisation markets
- the marketing methods used
- its public image as an employer and the impact its products and processing have on the environment

Where there is doubt as to the suitability of an organisation, the sponsorship negotiations should not proceed until advice has been sought from the Board.

Sponsorship documents must be retained for at least seven years after expiration of the sponsorship.

Each sponsorship agreement (including exchange of letters or full legal agreement) shall be made for a specific period and purpose. Sponsorship agreements may be re-negotiated by either party.

The agreement should ensure Youth Solutions would 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 an organisation as a sponsor comes to light after the agreement has been signed.

# POLICY – CORPORATE PARTNERSHIP PROGRAM

Youth Solutions should ensure all acknowledgment arrangements are detailed in the agreement to avoid any future dispute over the nature of the obligations.

The extent of acknowledgment should reflect the level of sponsorship in accordance with the Matrix - Corporate Partnership Program.

## 6 Delegations and responsibilities

Final authority over any sponsorship agreement, sponsorship contract or full legal contract ultimately rests with the Chief Executive Officer (CEO) and the Board.

The Board is required to include details of all current sponsorship income and expenditure in the Service's Annual Report, including details of how each sponsor has enhanced the Service.

Position	Delegation or task
<b>Board</b>	<ul style="list-style-type: none"> <li>• Endorse the policy</li> <li>• Ensure compliance with relevant legislation</li> <li>• Comply with the policy</li> <li>• Delegate policy implementation and procedural development to management</li> </ul>
<b>Executive</b>	<ul style="list-style-type: none"> <li>• Endorse the policy</li> <li>• Ensure compliance with relevant legislation</li> <li>• Delegate policy implementation to management</li> </ul>
<b>Management</b>	<p><b>CEO</b></p> <ul style="list-style-type: none"> <li>• Comply with policy</li> <li>• Endorse associated procedures</li> <li>• Oversee the development and review of the policy and procedures</li> <li>• Manage implementation of the policy and associated procedures</li> <li>• Seek appropriate corporate partnerships, sponsorships, interest and donations</li> <li>• Maintain accurate copies of all sponsorship agreements</li> <li>• Advise the Board of all sponsorships at the outset of formal negotiations</li> <li>• Ensure details of sponsorship income and expenditure are forwarded to the Board and indicate how each sponsorship has benefited Youth Solutions</li> <li>• Include in service activity reports and regular financial statements of Youth Solutions the sponsorship agreements entered into during the year</li> <li>• Where a commercial agent is involved in arranging sponsorship for Youth Solutions, the CEO must: <ul style="list-style-type: none"> <li>○ ensure any commission arrangements are between the commercial agent and the prospective sponsor</li> <li>○ ensure Youth Solutions incurs no liability from any commission arrangements</li> <li>○ seek advice from their Board where there is a doubt about any of the issues raised above</li> <li>○ maintain current Authority to Fundraise</li> </ul> </li> </ul>
<b>Staff</b>	<p><b>CC</b></p> <ul style="list-style-type: none"> <li>• Comply with and review the policy and associated procedures</li> </ul>

# POLICY – CORPORATE PARTNERSHIP PROGRAM

	<ul style="list-style-type: none"><li>• Seek appropriate corporate partnerships, sponsorships, interest and donations in line with direction from the CEO</li><li>• Support continuous quality improvement initiatives relating to the policy and associated procedures</li><li>• Provide advice and expertise (relative to role) in reviewing the policy and associated procedures</li></ul>
<b>FAO</b>	<ul style="list-style-type: none"><li>• Comply with the policy</li><li>• Manage, implement and evaluate financial and administration processes as necessary</li></ul>
<b>ALL</b>	<ul style="list-style-type: none"><li>• Comply with the policy and associated procedures</li><li>• Support continuous quality improvement initiatives relating to the policy and associated procedures</li><li>• Provide advice and expertise (relative to role) in reviewing the policy and associated procedures</li></ul>

Also refer to Human Resources Management Plan.

## 7 Policy implementation

This policy is developed in consultation with all employees and approved by the Board. All employees are responsible for understanding and adhering to this policy.

This policy should be referred and adhered to when seeking or accepting sponsorships, partnerships or donations.

## 8 Risk management

Policies and procedures is a standing agenda item for Youth Solutions staff meetings to discuss any relevant issues.

The major risks for Youth Solutions to consider in its management of corporate sponsorship and partnerships include:

- perceptions of improper conduct
- the potential for damage to Youth Solutions reputation by associating with an inappropriate sponsor (that is, one whose activities or purpose may exhibit a degree of tension with Youth Solutions policy) or one of poor repute
- undertaking an activity on the basis of the promise of corporate sponsorship which then does not materialise
- breaching accounting requirements
- not being cost-effective
- not following through on delivery of sponsorship agreements or communicating effectively with sponsors about distribution of funds

By following this policy, these risks can be mitigated.

## 9 Breaches

The process of corporate sponsorship and partnership or receiving donations must be carried out in line with this policy unless varied by the CEO and approved by the Executive of the Board.

Breaches of this policy may lead to ineffective financial management at the detriment of the service. Breaches will result in disciplinary action see [Policy – Disciplinary Action](#).

## 10 Other relevant internal policies and documents

- [Policy – Disciplinary Action](#)
- [Policy – Financial Management](#)
- [Policy – Fundraising Events and Activities](#)
- [Policy – Program and Project Planning](#)
- [Procedure – Competitions and Raffles](#)
- [Procedure – Event Management](#)
- [Register – Corporate Partnership Program](#)
- [Register – Donation Management and Allocation](#)
- [Matrix – Corporate Partnership Program](#)
- [Annual Report](#)
- [Human Resources Management Plan](#)
- [Checklist – Charitable Fundraising Events](#)

## 11 References to external sources

NSW Fair Trading, 2017, *Charitable Fundraising*, accessed on 8/0/8/2017 via [http://www.fairtrading.nsw.gov.au/ftw/Cooperatives\\_and\\_associations/Charitable\\_fundraising.page#sthash.wzSDtsg8.dpuf](http://www.fairtrading.nsw.gov.au/ftw/Cooperatives_and_associations/Charitable_fundraising.page#sthash.wzSDtsg8.dpuf).

NSW Liquor and Gaming, 2017, *Competitions*, accessed on 8/08/2017 via <http://www.liquorandgaming.nsw.gov.au/Pages/gaming/competitions.aspx>.

Our Community Institute of Community Directors Australia, 2017, *Sponsorship Policy*, accessed on 8/08/2017 via <http://www.communitydirectors.com.au/icda/policybank/>.

## 12 Quality and accreditation standards

### 12.1 Australian Service Excellence Standards (ASES)

Provided by Quality Innovation Performance (QIP)

#### **Standard C.3.1 – Financial Management**

Financial controls and record keeping

- Youth Solutions keeps its financial records in accordance with basic accounting principles, funding agreements and other contractual obligations
- Youth Solutions produces an audited financial statement which includes a balance sheet and a profit and loss statement approved by the Board

Financial Management

## POLICY – CORPORATE PARTNERSHIP PROGRAM

- Youth Solutions develops a budget in line with planned activities and organisational goals each year approved by the Board
- Youth Solutions provides financial reports as required by external bodies, funding agreements and other contractual obligations

# POLICY – CORPORATE PARTNERSHIP PROGRAM

## Document control

Please note this document is uncontrolled when printed.

<i>Policy</i>	<b>Corporate Partnership, Program</b>	<i>Effective date</i>	<b>July 2011</b>
<i>Responsibility</i>	<b>CC</b>	<i>Approved by</i>	<b>Board</b>
		<i>Review date</i>	<b>Refer to register</b>

## Record of policy review

<i>Reviewed</i>	<i>Reason for review</i>	<i>Reviewed by</i>	<i>Additional comments</i>
	New Policy	Linda Goldspink-Lord	
2008	Change in positions	Debbie Roberts	
2009	Preparation for Self-Assessment	Debbie Roberts	
July 2011	Preparation for External Review	Debbie Roberts	
October 2013	Updated policy	Brooke Manzione	
October 2014	Due for review	Amanda Partridge	
May 2016	Due for review	Amanda Dillon	
August 2017	Due for review	Amanda Dillon	