

Sponsorship, Advertising, Donations, Corporate Entertainment and Hospitality Guidelines

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1.0 Overview

It is acknowledged that as part of doing business, Government owned corporations (GOCs) may determine that it is appropriate to engage in promotional activities including sponsorship, advertising, donations, corporate entertainment and hospitality.

Expenditure on these activities, in particular entertainment and hospitality, is subject to the high standard of accountability which the Government and public expect from all Government agencies including GOCs.

In this regard all proposals must be able to withstand scrutiny from the public in terms of the extent, standard, cost and justification for the activities. Accordingly, GOC boards must ensure there are clearly identifiable commercial and organisational benefits for both the GOC and the State arising from any expenditure in these areas.

It is incumbent on GOCs to provide guidance to their senior managers and decision makers to assist them in making the judgements necessary to ensure expenditure is appropriate, reasonable and able to withstand public scrutiny.

These guidelines express the minimum expectations of shareholding Ministers with respect to the provision of sponsorship, advertising, donations, corporate entertainment and hospitality by GOCs.

2.0 Scope

These guidelines apply to any sponsorship, advertising, donations, corporate entertainment and hospitality provided by boards and employees of GOCs and their subsidiaries to:

- the board, senior executives and employees;
- clients and prospective clients;
- suppliers;
- stakeholders;
- shareholders and their representatives (including departmental officials); and
- community groups.

3.0 Principles

1. Each GOC is to ensure it has a board approved policy relating to sponsorship, advertising, donations, corporate entertainment and hospitality in place that is regularly reviewed at specified intervals to ensure it adequately reflects the operating environment of the organisation and to ensure that reasonable community standards are being implemented. Policies should also outline the manner in which the business deals with potential conflicts of interest.
2. Sponsorship, advertising, donations, corporate entertainment and hospitality expenditure is to be for official purposes only. In particular, the board approved policy should provide clear and unambiguous guidance on what is considered to be an acceptable use of the corporation's monies for providing official entertainment or hospitality and clearly define what forms of entertainment and hospitality are considered essential to the operation of the corporation's business. The expenditure and the nature of the event are to be reasonable by community standards and be able to withstand public scrutiny. It is not expected that corporate hospitality would be a substitute for business meetings.
3. Adequate documentation should be available for scrutiny by both internal and external auditors and for corporate, accounting and taxation purposes, with the business purpose identified. The board approved policy should specify the type of documentation required to support the provision of official sponsorship, advertising, donations, corporate entertainment and hospitality.
4. Sponsorship, advertising, donations, corporate entertainment and hospitality expenditure should be authorised and approved by an appropriate officer. Board approved policies should clearly outline delegated approval levels for expenditure. The delegated approving officer must be able to identify the benefit of the expenditure for the GOC and the State. Relevant officers that are planning and/or authorising such expenditure need to have sufficient experience and training to make judgements as to the reasonableness of the event and the event's capacity to comply with accepted industry and community standards.

5. Guidance should be provided in the board approved policy on appropriate expenditure limits associated with aggregate expenditure and expenditure per head to ensure reasonable limits are observed taking into account the nature of the event.
6. The board approved policy should establish criteria for determining participants at official events. Particular regard should be given to defining the type of events at which it is considered appropriate for partners of employees, directors or guests to attend. Guidance should also be provided as to the appropriate proportion of the corporation's representatives relative to external guests.
7. Regular monitoring and reporting processes are to be undertaken to ensure official sponsorship, advertising, donations, corporate entertainment and hospitality aligns with the board approved policy and shareholding Ministers' expectations.
8. Shareholding Ministers are to be fully informed of any significant proposal, including the potential benefit to the GOC and the State from undertaking the activity. Shareholding Ministers must be notified of any significant proposed sponsorship agreements, prior to signing of binding contracts.

4.0 Receiving Hospitality

When receiving hospitality, care should be taken by GOCs to avoid any possible conflicts of interest. It is particularly important that such acts of hospitality should not be perceived or construed as providing an incentive for any commercial transactions.

Transparency, accountability and integrity are to be maintained and the GOC's board approved policy are to give effect to the procedures required to achieve these outcomes. GOCs should have separate board approved policies in place with respect to the receipt of gifts and entertainment.

5.0 Reporting

Annual budgeted expenditure for sponsorship, advertising, donations, corporate entertainment and hospitality is to be documented by each GOC within its Statement of Corporate Intent (refer to Tables 1 and 2). Details are to include total expenditure and individual commitments over \$5,000. GOCs are requested to provide details of any significant changes to these commitments, as specified in the Statement of Corporate Intent, and details of actual expenditure incurred within quarterly reports to shareholding Ministers. It is expected that quarterly reports to shareholding Ministers also include reporting on individual events which cost over \$5,000 and the benefits accruing from them. These reporting provisions are to appear in the GOC's board approved policies.

The GOC's annual report must also include a table on corporate entertainment and hospitality covering all individual corporate entertainment and hospitality expenses over \$5,000, undertaken during the financial year. This table should list the event, date and total cost for each item. If there are no individual expenditure items over \$5,000 to report, the following sentence should be included "[GOC Name] did not hold any corporate and hospitality event during 20xx-xx which cost more than \$5,000".

Table 1: Sponsorship, Advertising, Corporate Entertainment, Donations and Other Activities

Details of Individual Expenditure Items

Activity	Description/ Benefit	Current Year Budget (\$)	Current Year Est. Actuals (\$)	SCI Year Budget (\$)	Quarter (SCI Year) (\$)				(SCI Year) Per Head Budget (\$)
					Sept	Dec	Mar	Jun	
SPONSORSHIP									
Total over \$5,000									
Other (total) below \$5,000									
TOTAL (1)									
ADVERTISING									
Total over \$5,000									
Other (total) below \$5,000									
TOTAL (2)									
CORPORATE ENTERTAINMENT									
Total over \$5,000									
Other (total) below \$5,000									
TOTAL (3)									
DONATIONS									
Total over \$5,000									
Other (total) below \$5,000									
TOTAL (4)									
OTHER RELATED ACTIVITIES									

Activity	Description/ Benefit	Current Year Budget (\$)	Current Year Est. Actuals (\$)	SCI Year Budget (\$)	Quarter (SCI Year)				(SCI Year) Per Head Budget (\$)
Total over \$5,000									
Other (total below \$5,000)									
TOTAL (5)									
TOTAL (1)+(2)+(3)+(4)+ (5)									

Table 2: Corporate Entertainment

Details of Total Budgeted Expenditure under \$5,000^{6,7}

Activity	Current Year Budget (\$)	Current Year Est Actuals (\$)	SCI Year No. of Activities	SCI Year Budget (\$)	Quarter SCI Year ⁸ (\$)			
					Sept	Dec	Mar	Jun
Corporate Entertainment Total								
•								
•								
•								
TOTAL UNDER \$5,000								

⁶All expenditure to be GST exclusive

⁷Cells shaded in grey do not need to be populated

⁸These figures are not cumulative