

# Sports Sponsorship Policy and Governance Framework for Trinity College Dublin

## Purpose and Scope

In the context of decreasing public funds, the College Sports and Recreation Department and student sports groups within it, must put in place the financial resources to continue to provide high quality programmes and undertake new initiatives. The purpose of the Sports Sponsorship Policy is to provide direction on best practice in securing sponsorship for sport. These guidelines will help ensure that sports members and groups of the College community take a consistent approach and avoid potentially conflicting or inappropriate approaches to sponsors. The Policy will also outline what type of arrangements are appropriate to offer to sponsors and ensure that the practices of 'over promising' and 'under delivering' are avoided and do not bring Trinity College's reputation into disrepute. The Policy will also ensure that governance of any funds allocated to a sporting club, group or sports programme by a sponsor is managed appropriately.

## Definition of Sponsorship

The payment of a fee or payment in kind by a company or organisation in return for rights to a public association with an activity, item, person, group, or property, that is of mutual business benefit.

This benefit may include any of the following<sup>1</sup>,

- Naming an event after the sponsor

A commercial opportunity will be offered to external companies where a company name or brand can be associated with a sporting occasion like the annual Sports Awards or sports recruitment activity. It will bestow the opportunity for the sponsor for experiential and corporate hospitality rights associated with the event. Minimum contribution would be €1,000 contributions per event with additional upside associated with the power of the specific sporting brand equity.

- Displaying the sponsor's company logo or trading name

A commercial opportunity will be offered to external companies where a company name or brand can be displayed prominently on merchandise such as the sporting club's jerseys, kit bags or after match attire, sporting safety equipment etc. Minimum contribution should be 5,000 euro on a non-exclusive basis with the potential for larger clubs to secure up to €50,000 on a non-exclusive basis.

- Participating in the sponsor's promotional or advertising activities

In situations whereby a very prominent national or international sporting personality attends Trinity College then companies would pay significant amount to utilize players for prominent product promotions. For example Unilever's DOVE promotions are especially significant in the sporting world. The critical understanding here is that the consent of the specific individuals is secured so that the financial return goes to Trinity. Minimum contribution should be 5,000 euros in addition to location hire fees for product launches secured on campus.

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<sup>1</sup> As defined by Ross-CASE (UK Philanthropy benchmarking group) and including the Trinity context in the description by the Commercial Director

- Allowing the sponsor to use a name or logo

As a result of a sponsorship programme sporting clubs can, for the appropriate incremental fee, allow companies or sponsors to widely use the reference in any promotional literature that they are 'proud sponsors of Trinity 'ABCD' sporting club. The specific text would need to be agreed with the Head of Sport. The minimum incremental fee here would need to be 10,000 per year.

- Provision of free or reduced price tickets

This offer would be applicable where a sporting club has its own stadium for a sport that is very attractive to the general public and whereby entry tickets command a fee. It would also apply where the sporting club via its wider national or international linkage secures tickets to major sporting events i.e. large international soccer, rugby or GAA matches. In these specific instances it may be attractive to potential sponsors as part of the sponsorship deal to secure these tickets. Minimum price should be a 100% margin increase on face value tickets.

- Allowing access to special events such as premieres or gala evenings

This is similar to the first item on this list 'Naming an Event after the Sponsor'.

- Providing entertainment or hospitality facilities; or

In this instance a company offers sporting clubs or groups hospitality facilities in return for a contribution that is paid directly to the club or group. However, in these arrangements the company endeavours to recover this cost by charging the clubs member's full prices for all food and refreshments served in these locations. Minimum contribution should be €5,000 per year.

- Giving the sponsor exclusive or priority rights.

In this instance a company or brand wishes to secure total exclusive sponsorship of the club, group or sports programme. This is to ensure they get full, outright, unadulterated brand exposure as a result of the association. In this instance the value of this request should only be considered if a 2X contribution is offered to the prices quoted above. For the avoidance of doubt all branding should be on a non-exclusive basis unless the clause above is invoked per the terms outlined.

In general prices associated with a sponsorship reflect the totality of the overall ambit of opportunities as identified above. Groups need to ensure based upon the breakdown of the opportunity they are getting the true and fair value for an external companies desire to be associated with a club, group, or sports programme in Trinity. The Commercial Director will provide this guidance.

### **Distinction between sponsorship and donations**

There are sometimes subtle differences between sponsorship and donations to sport which are of relevance. In order to differentiate, donations are generally accepted as not having to be repaid, do not confer any benefit to the Donor, to their company or its products and services and should not attach conditions, with exceptions of donor recognition, and do not give rise to any obligation (contractual or otherwise) by the recipient to the donor. In order to provide a distinction, it is recommended that the Alumni Office is contacted if there is any doubt.

## **Role of Sponsors**

The importance of sponsorship should be that it extends the message of College, and that sponsors act within clear parameters and observe College practices and policies. It should be noted that sports clubs and activities are offered at a wide range of participation levels, from recreational to high performance. The role of the sponsor is not to define the level of sports activity but to complement the stage of participation and performance pathway development as chosen by the Sports and Recreation Department, club or group.

## **Value Statement**

Any sponsorship received should add value to existing or planned organisational activities and should not form the cornerstone of organisational operations or create a dependency for event development. Sponsorship received should be a bonus and add value to the activities of the group and Trinity College. Acceptance of sponsorship, therefore, must enhance and should not hinder the College's ability to act in the best interests of students. There must be no suggestion that sponsors are being given privileged access to University public procurement policies in return for their sponsorship or will receive special treatment in any way which contravenes Trinity's legal obligations or policies. Sponsorship should not compromise or dilute the Sports and Recreation Department, DUCAC, club, or group's sports campaign or message.

## **Types of Sponsorship**

- Payment Sponsorship (by way of cheque, cash, transfer to a College bank account)
- In-kind sponsorship, such as the provision of goods and services to support or enhance the College campaign or activity, in lieu of promotion in return, otherwise known as barter arrangement. This should be measured to consider the value of that support.

As per Revenue guidance, receipts from sports sponsorship made to non-profit making organisations are not treated as taxable turnover and on this basis such payments should not be subject to VAT.

## **Principles**

Adherence to the following principles is required by those involved in seeking and securing sports sponsorship on behalf of College;

1. There should be no overt commercial advantage to the sponsor in terms of a direct sale of products or brands to the College as a result of their sponsorship. It is expected that the Sports and Recreation Department, DUCAC, Club, or sports group will promote the sponsors brand but they must not, and must not appear to, endorse the sponsoring company products or services.
2. Sponsorship support should only be considered where it will produce significant net benefit for the Sports and Recreation Department, DUCAC, Club, or sports group and not be detrimental to other parts of the University or to the public interest.
3. Sponsorship should be sought in an open and even-handed manner from a range of potential sponsors, including businesses competing in a particular field. This is a guideline and is intended to ensure that a chosen sponsor's competitors does not have grounds to complain that they were not given a fair chance. If other sponsors express an interest they will be afforded an opportunity to make an offer at the next available stage.

4. Sponsorships arrangements cannot supersede any other college wide contractual arrangements with other sponsors, for example the current exclusive arrangement with the Bank of Ireland financial services for sponsorship of sport (2015-2020).
5. Sponsorship should be of activities, programmes or events, not of individual students or staff, lest those individuals appear to be placed under an obligation to the sponsor.
6. In general, acceptance of sponsorship should be tested against the general principle that it does not, and does not appear to, place the College under an obligation to any sponsor that goes beyond any agreements relating to the activity or event. Particular care needs to be taken when considering large amounts of sponsorship or repeat sponsorship. Sponsors should not have any input into, or expect to influence, the messages of College policies, activities and communications towards their areas of business activity.
7. The recipients of the sponsorship must act with and must demonstrate impartiality, honesty and integrity when entering into a sponsorship agreement.
8. Recipients must put procedures in place to ensure that sponsors do not receive returns that are greater than is proper and proportionate and that any sponsorship agreement is able to withstand public scrutiny. It should set out from the beginning what benefit is reasonable for the sponsors to expect.
9. The College will retain control over its communications mediums (for example media, streaming, filming, email, social media and web) at all times. Sponsors must not use the College's communication mediums as a direct sales channel for their products or services. In particular, there must be no compromise to the College's adherence to the Data Protection Act by offering sponsors access to data held about College students, employees or alumni.
10. Sponsors business and/or activities should not be in conflict with the College mission, values and business objectives. College Policies should not be compromised, specifically;
  - a. Sponsors will not be permitted to have direct access to children using College services and facilities, as per the College Child Protection Policy.
  - b. Alcohol companies would be deemed inappropriate as per College Alcohol Policy.
  - c. No sponsorship will be accepted from companies 'whose activities can pose serious risk of harm and are inconsistent with the mission and values of College' ref. College Ethics Policy. Furthermore, sponsorship from Tobacco companies, Arms manufacturers are excluded.
11. Sponsorship relating to gaming, lotteries or gambling must be approved by the College in advance. Offers of such products or services will be not accepted, nor will any sponsorship from those companies who do not subscribe to GamCare certification, which is awarded to organisations that achieve high standards of social responsibility and have successfully implemented player protection policy and practice relevant to their platform and gambling service. GamCare is the leading provider of information, advice, support and free counselling for the prevention and treatment of problem gambling. Further information can be found on <http://www.gamcare.org.uk/>. In considering any proposal for sponsorship relating to these activities, careful consideration will be given to the potential for excessive, damaging or addictive behaviour. Any such proposal will be considered by a group convened by the Chief Operating Officer and including the Dean of Students, the Director of the College Health Service and the Director of the Student Counselling Service. The Dean of Students may, as appropriate, consult with the Students' Union and the Graduate Students' Union.
12. Groups hiring sporting facilities that have associated sponsors must also conform to the above (no. 9, 10), and the club or group must seek approval in advance of the event to

display and promote said sponsor from the Head of Sport. Further appropriate internal approvals, may be required.

13. In considering sponsorship arrangements with organisations, the College, club or group will also have regard to;
  - a. Whether particular activities should be excluded from sponsorship; and whether particular types of sponsors should be considered unsuitable as sponsors on the grounds of potential conflicts of interest or inappropriateness.
  - b. If the sponsor could bring adverse publicity to the sponsored activity or the College, and if so whether they must be excluded.
  - c. The Employment practices, including payment of minimum wage and commitment to diversity of the sponsor
  - d. Compliance with Health and Safety and Environmental legislation
  - e. Human Rights record
14. All sponsorship agreements should be in writing. An exchange of letters may be sufficient for a small transaction, but a proper legal contract should be considered for large sums. This written agreement is vital to avoid misunderstandings. Any contracts or agreements should be overseen by the Commercial Director.

An agreement or letter should contain the following:

- a. Name of the club/association
- b. Name of the sponsor
- c. Amount/form of sponsorship
- d. Name of activity/event being sponsored
- e. Duration of contract
- f. Benefits to sponsor - advertising, banners, tickets etc.
- g. Payment details including College bank account involved, dates and VAT liabilities, if any
- h. Insurance - who insures against cancellation, public liability
- i. Option to renew
- j. Termination clause

## **Review**

The policy will be reviewed after one year, taking account of experience in applying it and thereafter as necessary. A sports sponsorship register will be established and maintained on an annual basis by the Sports and Recreation Department which will be made available to College authorities on request. The register will identify the sponsor, the date and duration of the arrangement, the payment amount and/or In-Kind value.

## **Sponsorship Values**

The following is an outline of how the sponsorship is to be handled based on the amount or value being sought or received. In each case the principles above must be adhered to.

### **1. Sponsorship- Values over €5k**

All **Payments** or **In-Kind Sponsorship** of values over €5k, in one year, or more are being sought in sports sponsorship from the same sponsor, will require approval internally from the Chief Operating

Officer. You must in the first instance consult the Head of Sport (or nominee) who will seek approval with the Chief Operating Officer.

Direct consultation may be advised with the following areas in College;

- Alumni Office- in order to ensure coordination and appropriateness of contact.
- Commercial Director- in cases of contract negotiations and advice
- Careers Advisory Service- if seeking support from a company's graduate recruitment offices or budgets intended for the purposes of graduate recruitment

In all cases receipt of sponsorship should be reported to the Head of Sport (or nominee). A receipt/audit trail must be made available when requested.

## **2. Sponsorship Values from €2k and under €5k**

All **Payments** or **In-Kind Sponsorship** values from €2k to €5k, being sought in one year from the same sponsor AND where the approaches are made to small, local companies (e.g. restaurants, bars, firms of solicitors) or local branches of national companies (e.g. the local branch of Tesco, Reads, Spar) - that is, where the approach will target local funds or marketing budgets, require the following;

- a. You must inform the Head of Sport (or nominee) if sponsorship is being sought.
- b. You will be referred to consult with either the Alumni Office or Commercial Revenue Unit, if your approach might be sent to head office or to the company's trust or foundation, where there could be a clash with an existing relationship or contact elsewhere at the College (as above).

A receipt/audit trail must be made available when requested.

## **3. Sponsorship Values below €2k**

If less than €2k, in one year from the same sponsor, is sought or received in payment or value of product/service, AND approaches made are to local, small companies, there is no need to notify College once the above Principles are applied. It will, however, be necessary to declare any successful sponsorship to the Head of Sport, (or nominee) for sports sponsorship for the purposes of recording it on a register and to ensure conflicts do not occur.

### **Other Considerations/Checklist**

- Contracts/Terms of agreement- advice from the Commercial Director, or nominee
- Risk Assessment and Safety implications- contact the Head of Sport, or nominee
- Early consultations, seeking College advice and approval- contact the Head of Sport, or nominee
- Any queries relating to the Sport Sponsorship Policy or any other related College Policies- contact the College Secretary, or nominee
- For practical tool kit and advice on securing sponsorship and samples of sports sponsorship- contact DUCAC/ Department of Sport Administrator

Sponsorship Training Workshops and Seminars will be provided by for students in association with the Sports and Recreation Department and the Commercial Revenue Unit.

*M. Tanner. V.3 28/9/15*