



<b>SPONSORSHIP POLICY</b>			
Drafted by:	John Poole	Approved by Management Committee on:	19 <sup>th</sup> May 2018
Responsible Person:	MC member appointed to Sponsorship Committee	Scheduled review date:	June 2019

## **INTRODUCTION AND PURPOSE**

1. Cairns FM 89.1 needs to be supported by sound financial arrangements. Soundness includes obtaining funding from all potential sources including financial support from sponsors.
2. Although sponsorships are similar to advertising, under the Broadcasting Services Act 1992 (BSA) community broadcasters are not actually permitted to broadcast 'advertising'. Sponsorships are, however permitted but there are two key requirements:
  - Sponsorship content will be limited to five minutes in any hour, and
  - Every sponsorship announcement will be clearly "tagged".
3. Sponsorships are also subject to Code 6 of the CBAA Code of Practice which states that:
  - Sponsorship will not be a factor in determining access to broadcasting time,
  - Editorial decisions affecting the content and style of individual programs are not to be influenced by program or station sponsors, and
  - Editorial decisions affecting the content and style of overall station programming are not to be influenced by program or station sponsors.
4. The purpose of this policy is to:
  - Set out how we will manage our sponsorship arrangements,
  - Ensure compliance with the BSA and the Codes, and
  - Give direction on the station's ethos toward sponsorship.
5. The policy applies to all sponsorships be they with corporations, foundations, individuals, government or non-government organisations. However, it does not apply to arrangements involving financial or other support where the sponsor concerned does not expect or require any on air advocacy of the products and / or services that they provide other than a simple acknowledgment of the support they have provided.

## **GENERAL NATURE OF SPONSORSHIPS**

6. Sponsorship of Cairns FM 89.1 or of any program, project or event held by Cairns FM 89.1 will not entitle any sponsor to influence any decision by Cairns FM 89.1 particularly in relation to Code 6 of the CBAA Code of Practice referred to above.
7. The terms and conditions of all sponsorship arrangements over \$1,000 shall be set out formally using an approved template.

8. Cairns FM 89.1 will not enter into any sponsorship arrangement where the association with the sponsor would jeopardise the financial, legal or moral integrity of Cairns FM 89.1 or adversely impact upon Cairns FM 89.1's standing in the community.
9. Sponsorship from companies that promote the consumption of alcohol may be accepted, however the announcements must not:
  - Promote the misuse of alcohol, or
  - Be directed towards minors.
10. Sponsorship announcements will be produced and presented in a style and form consistent with the program in which they are to be placed.
11. Under no circumstances can presenters accept gifts, products or services or payments in return for promotion of a product, service or business.
12. Cairns FM 89.1 reserves the right to refuse any paid announcement.

## **OVERSIGHT**

13. A nominated Management Committee member together with the Station Manager will have oversight of the station's sponsorship activities. For the purpose of this policy, this will constitute the sponsorship committee.
14. The sponsorship committee will:
  - Appoint and re-appoint members as Agents for the purpose of securing sponsorship arrangements,
  - Terminate such agencies when the need arises,
  - Approve sponsorship arrangements taking into account the requirements of this policy.
  - Determine when a member claiming to have helped in securing a sponsorship should be deemed to be a 'Spotter' and thereby entitled to remuneration at the Agent's expense.
  - Approve deductions from the commission that an Agent might otherwise receive where the Agent is unable to finalise a proposed sponsorship by scripting and creating the sponsor's message in which case such tasks have to be undertaken by another volunteer or staff member.
  - Ensure that sponsorship announcements conform with the station's presentation standards.
  - Ensure that the scheduling of sponsorship announcements is compliant with the BSA and Code.

## **APPOINTMENT OF MEMBERS AS AGENTS**

15. Financial members of Cairns Community Broadcasters Inc may apply to be appointed as Agents of CCB for the purpose of soliciting sponsorships. Such applications will be considered by the sponsorship committee.
16. In deciding whether to accept the application the sponsorship committee will take into account the following factors:
  - The applicant's familiarity with the station's sponsorship policy including the constraints imposed by the BSA and Code,
  - The applicant's specific understanding of the differences between sponsorship announcements which are acceptable in a community radio context and advertisements which are not,

- The applicant's general demeanour as a potential representative of Cairns FM 89.1 in the community,
  - Experience in prospecting and closing sales generally,
  - Ability to finalise a proposed sponsorship by scripting messages in an appropriate style and arranging for their voicing, and
  - Ability to understand and preparedness to work within the station's standard agency agreement.
17. There is no limit to the number of members who can be appointed as Agents. Each Agent will be free to solicit sponsorships throughout the Cairns region. However, any situation where another Agent has an established relationship with a particular sponsor must be respected.
  18. The decision by the sponsorship committee to appoint or not is final.
  19. An appointment may be terminated at any time by the sponsorship committee although the member will retain entitlement to receive commission in respect of sponsorship payments secured prior to the date of termination.
  20. All agency appointments will automatically terminate after a period of one year or if the member concerned ceases to be a financial member.
  21. A member can request to be re-appointed as an Agent. An agent management fee will be payable but this will be waived if the sponsorship payments received by the member during the previous year exceed a threshold level determined by the Management Committee.
  22. Agents can resign their appointment at any time
  23. All appointments will be based on and approved agency agreement template.
  24. Agents will be entitled to receive commission for sponsorships secured. Commission rates will be as set out below and referred to in the agency agreement. However, a member may waive part or all of payments due by endorsing the agency agreement to this effect.
  25. Members of CCB who have not been appointed Agents are not permitted to solicit and negotiate sponsorship arrangements on behalf of Cairns FM 89.1.

## **AGENT REMUNERATION**

### *Initial sponsorship*

26. A sponsorship will be considered an initial sponsorship if there has been no sponsorship by the organisation concerned within the twelve months preceding the date the proposed sponsorship is to commence.
27. A sponsorship will be considered an initial sponsorship for a maximum period of twelve months. In the event that the sponsorship is for a period of more than twelve months, the financial arrangements applicable to an initial sponsorship will apply to payments received during the first twelve months only.
28. The Agent securing an initial sponsorship will be entitled to receive commission at the rate of 30% of the sponsorship payment received.
29. Any Agent who expects to receive commission is required (subject to the comments below) to script, obtain the sponsor's approval and voice the sponsor's message.

30. If for any reason the Agent does not, or does not wish to undertake these tasks, they may be undertaken by a person nominated by the station manager. Reasonable costs of undertaking these tasks, determined by the Treasurer, will be deducted from the commission that would otherwise be paid to the Agent.

*Renewal sponsorship*

31. A sponsorship arrangement will be considered a renewal arrangement if it is not an initial arrangement.
32. The Agent securing the sponsorship will be entitled to receive commission at the rate of 15% of the sponsorship payment received.
33. All other responsibilities will be as set out above for an initial sponsorship and include those related to changing the scripting and voicing if the sponsor so requires.
34. An Agent who secures a renewal sponsorship may not be the same individual who secured the initial sponsorship (the originating agent) with the sponsor concerned but this does not mean that the sponsorship is an initial sponsorship for commission purposes.
35. A member who is not the originating agent is not entitled to seek renewal of an existing sponsorship until 6 months have elapsed from the expiry of the previous sponsorship.

*Other Matters*

36. Agents are not entitled to any retainer or advance expenses and are responsible for all their own travel expenses.
37. Only one Agent can be associated with any sponsorship.

**‘SPOTTERS’**

38. A member who come across individuals or organisations who express interest in a sponsorship and facilitates the introduction of an Agent to that individual or organisation such that the Agent is successful in securing a sponsorship agreement, may ask to be treated as a ‘Spotter’ in respect of that sponsorship and so be entitled to a share of the Agent’s remuneration.
39. Cairns FM 89.1 expects members would act reasonably and:
- Not claim to be a Spotter unless their involvement in securing the sponsorship was meaningful, and
  - That Agent concerned would acknowledge the assistance of a Spotter who had clearly helped to secure the deal.
40. Where the Agent is not prepared to acknowledge the other member was a Spotter, the potential Spotter may refer his or her case to the Sponsorship Committee who will make a determination having assessed the extent of the potential Spotter’s involvement and heard from the Agent as well.
41. Where the member is deemed to have been a Spotter, the Spotter will be entitled to a spotter’s reward of 10% of the payments received by the station under an initial sponsorship arrangement and the Agent’s commission will be reduced from 30% to 20%.
42. If there is more than one Spotter involved, the spotter’s fee will be divided equally between them.
43. The Spotter will have no responsibilities related to scripting or voicing of messages.

44. There will be no spotter's reward for renewal sponsorships.

### **RECOVERIES OF COMMISSION AND SPOTTER'S REWARDS**

45. Should a sponsor withdraw sponsorship prior to its completed term, due to station liability, and if the sponsor receives credit for unplayed sponsorship messages, the Agent and any Spotter will be obliged to return the appropriate commission and / or spotter's fee associated with such unplayed/cancelled sponsorship messages.

### **PAYMENT ARRANGEMENTS**

46. All payments made to either Agents or Spotters will be fully in accordance with statutory requirements which may involve the deduction of income tax from payments made.
47. Cairns FM 89.1 will not enter into any arrangements whose primary intent is to circumvent the intent of any statutory requirements involving taxation or means tested government benefits.

### **INTERNAL CONFLICTS OR COMPLAINTS**

48. Members and volunteers are reminded of their rights under the Cairns FM 89.1 Internal Conflict and Complaints Policy and also the Rules of Cairns Community Broadcasters Inc. No statement under this policy is intended to take away any of these rights.
49. Copies of the Internal Conflict and Complaints Policy and the CCB Rules are available on request.

### **AUTHORISATION**

John Poole  
Secretary  
6 June 2018