



SPORT SPONSORSHIP DIRECTIVE 2015/16

FOX LINES

ALDERSHOT

November 2015

INTRODUCTION

1. Under the Army Sport Control Board's (ASCB) Charter¹ the Board is authorised to generate non-public funds through civilian sponsorship and to supervise the sponsorship of Army sports. In addition, the ASCB's Financial Framework² states that the ASCB is to "Ensure Commercial Sponsorship follows MOD policy in JSP 462 (Chapter 9)".

2. Sports Association officials should be aware that the Bribery Act 2010 underpins Service rules and regulations on behaviour relating to sponsorship. Officials should note:

a. The Bribery Act 2010 came into force on 1 July 2011. The new Act updated legislation on this subject. The Act is focused on bribery, which is not necessarily just a gift of money, it is an action where a person promises, or gives a financial or other advantage which is designed to induce any party to perform a function improperly. Improper use of sponsorship may contravene the Act for which Sports Officials could become liable.

b. The Act applies to all businesses (including the ASCB and its Sports Associations & Unions), therefore any sponsorship dealings must be within the Act. Hospitality is not prohibited under the Act and providing dealings are carried out honestly, with integrity and due diligence there are no restrictions under the Act. However, the MOD has separate rules on gifts, rewards and hospitality and these are contained in the reference below.

3. Sponsorship is a recognised activity and is well regulated. Currently MOD and Army rules and regulations on civilian sponsorship are contained in a range of Service documents. Sports Officials are to be aware of the following (or their replacements):

- JSP 462, Part 2 Version 2.0 dated Jun 2015, 'Financial Management Policy Manual', Chapter 7 'Sponsorship' and Chapter 14 'Regularity and Propriety in Public Expenditure'.
- JSP 752, Chapter 4, Section 2, Sports Travel and Section 6, Motor Mileage Allowance.
- AGAI Vol 1 Chap 5 – Sport.
- AGAI Vol 3 Chap 117 part 2 – Commercial Sponsorship.
- MOD Statement of Civilian and Service Personnel Policy: Annex to Standards of Conduct and Behaviour – Gifts, Reward and Hospitality updated in Mar 2105.
- ABN 92-12 British Army Branding Identity Instructions.
- The Civil Service Code – Standards of Behaviour.
- Cabinet Office Publication – 'Planning and Delivering Effective Communications and Partnership Strategies'.
- LFSO 6101 – Recording of Offers of Gifts, Rewards and Hospitality and the Inspection of Hospitality Books – Fifth Revise, dated May 2014.

This Directive draws on the above references and provides a guide to sports officials who are engaged in Civilian Sports Sponsorship. This can be a complex area – if in doubt contact the ASCB for advice.

AIM

4. The aim of this Directive is to inform ASCB Sports Officials on the regulations and management of sports sponsorship in the Army in order to ensure compliance with the law and all military regulations.

DEFINITIONS

5. Sports Officials need to be aware of the following definitions:

a. **Sponsorship**. Sponsorship is a contract between a business organisation and the relevant sport (or sports) wherein there is mutual benefit to all parties involved; it is a **value-exchange** process. The range of the benefits exchanged between all parties involved must be outlined in the

1. AGAI Vol 1 Chap 5 Annex E.

2. ASCB Financial Framework Ver 1 dated Sep 12.

sponsorship contract. In simple terms the sponsors provides a cash sum (or cash sum equivalent - see Para 8a) and the sport(s) provide a medium for advertising (by use of logos etc), networking and socialising with members of the sport and Army personnel.

b. Donations. A donation is usually a one off sum of money given voluntarily for the use of the organisation receiving it **without** any value-exchange process being agreed. The practise of accepting year on year donations from the same organisation is acceptable, however if there is any value-exchange attached to these donations then these funds need to be classed as sponsorship and managed accordingly.

c. Enabling and Approving Sponsorship. Guidance for the establishment and approval of sponsorship is found at Chapter 7 to JSP 462. The key points are:

(1) Sponsorship must be received in a fair, equitable, open and transparent manner from businesses competing in a particular field;

(2) A sponsored activity must not use MOD resources without prior consultation with the Army TLB Sponsorship Focal Point to ensure that the wider interests of Defence are represented and must also ensure that all cost to public funds are reimbursed..

(3) Where MOD resources are used on repayment basis, when undertaking non-core sponsorship activity, Sponsorship Organisations must purchase insurance to cover all the risks which will be incurred, and use non-public funds to do so. All liabilities attaching to a non-core activity must be covered by the non-public organisation responsible for the activity. It is important that the organiser of the sponsorship understands that their Sports Association/Union, and quite possibly themselves, will be legally liable for all commitments undertaken and the associated risk.

(4) Any Sponsorship Agreement will need to include a statement on the responsibilities and liabilities of each party arising as a consequence of the activity being sponsored. . The non-public body (Sports Association/Union) which is legally and financially liable must be identified in all communications and it must be made clear in all dealings that it is the body and not MOD or the Army that is engaging in the activity..

(5) The Sports Association/Union and Sponsor should only fulfil the obligations within the boundaries of the contract. Any proposals to do otherwise should be raised with the Sponsorship Organiser/Focal Point;

(6) Sponsors must not use the MOD's activity as a direct sales channel for their products or services.

TYPES OF SPONSORSHIP

6. For the purposes of this directive Army Sports Sponsorship is generated and managed in one of 3 ways:

a. Team Army. Team Army, trading as Ethos Fundraising Ltd (EFL), generates funds for Forces sport through sponsorship, donations and events³. The scheme was endorsed by ECAB in 2011⁴ noting the potential for Army sport to generate considerably more sponsorship income, the need to better coordinate the targeting of potential sport sponsors and the risk mitigation that the scheme would provide. Details of Team ARMY can be found in ABN 16-12⁵ which Sports Officials should read. Working alongside sports and the ASCB, Team Army is the only MoD endorsed scheme for the management of sports sponsorship. Army level sports Associations and Unions are

3. EFL is a not-for-profit company trading as Team Army and generating a surplus from sponsorship and events that is paid into the Team Army Sports Foundation Charity (TASF). It is the TASF that makes grants to sports either with or without specific sponsor accreditation and obligations. The scheme enables funds to include distribution to minor and adaptive sports who ordinarily will not be able to attract commercial sponsorship.

4 ECAB/P(11)19 dated 22 Jun 11 – 'The Future Approach to Army Sport Sponsorship' – A paper by AG.

5. ABN 16-12 The Role of 'Team Army' and Sponsorship of Army Sport dated 6 Mar 12.

encouraged to join this sponsorship scheme which removes much of the work and responsibility for sponsorship from Associations and Unions whilst complying with the law and JSPs. As with any sponsorship agreement by adopting the Team Army Scheme certain rights are ceded by the sport to Team Army. These rights will be included in a licence agreement that forms a contract between the sport and EFL and an MOU that describes the relationship and behaviours. Nevertheless there are significant benefits in adopting the Team Army scheme these include:

- (1) Contract Management of Sponsor
- (2) Financial Management of Sponsor
- (3) Sponsor companies financial and reputational checks
- (4) Anti-Bribery & Corruption awareness and understanding
- (5) Advice on scope and limitations of sponsorship
- (6) Advice on risks and opportunities of sponsorship

b. Direct Sponsorship. Each sport organisation, at any level, can elect to find a sponsor and set up a direct sponsorship agreement (within MOD rules) and maintain that direct link with their sponsor/s.

c. Twin-Track Sponsorship. The twin track approach allows sports to benefit from both direct sponsorship and participation in the Team Army scheme. However, the agreements must be carefully worded as benefits to sponsors under separate contracts must be compatible and not promise returns which cannot be met, or which conflict in their delivery.

7. There is also an option for existing sports associations and their associated sponsors to transfer into the Team Army Scheme if it is considered beneficial.

OTHER SOURCES OF FUNDING SUPPORT

8. Many Sports Associations and Unions receive non-public grants from a variety of military Welfare Funds such as the Army Central Fund (ACF), the Nuffield Trustee (NT) and the Army Welfare Grants Committee (AWGC). The procedures for applying for Welfare Funds are contained in LFSO 3206⁶. The ASCB Charitable Fund (ASCB CF)⁷, and the Berlin Infantry Brigade Memorial Trust Fund (BIBMTF)⁸ also give grants. None of these sources are categorised as sponsorship and are not considered further. However, there are other sources which Sports Officials will need to consider and act appropriately, for example:

a. Benefit-in-kind. Although organisations may provide a pure cash sum as the sponsorship agreement, some agreements may also offer a benefit-in-kind sponsorship for products or services. When accepting these benefits-in-kind arrangements consideration must be given to the Cash Sum Equivalent⁹ and the maintenance, possible replacement and associated costs of consumables in managing these benefits. Benefits-in-kind can include sponsored civilian vehicles, sports equipment and clothing. These benefits are part of the sponsorship agreement and must be included in the contract between the parties. It is also important to consider whether the acceptance of a Benefits-in-kind understanding would compromise any other agreements in place either for sport or for the wider MoD. Any conflict of interests must be avoided.

b. Discounted Goods Sales. The provision of discounts to the Forces community (serving and ex-serving) is already widely available through many schemes outside of sport. Any

6. LFSO 3206 (4th Revise) dated Jul 13.

7. 2013DIN10-031.

8. 2013DIN10-037.

9. Where a Product or Service is provided, the Cash Sum Equivalent is the amount the sport would have had to pay for that item, e.g. if equipment is given to the sport then the Cash Sum Equivalent is the net purchase cost of the equipment.

agreements for discount between organisations and Army Sports Associations and Unions that is open for individual use is not to be classed as sponsorship and is not dealt with any further.

RESPONSIBILITIES

9. Responsibilities for complying with JSP 462 on Civilian Sponsorship lies with the following:

a. ASCB. The ASCB is responsible for monitoring the management of Civilian Sports Sponsorship at all levels of the Army. The ASCB is to hold a directory on sponsorship agreements in order to ensure that agreements are coordinated and compliant and that overlaps are eradicated. The ASCB Secretariat is the Point of Contact (POC) for advice on Sports Sponsorship.

b. Corps, Formation & Unit Sports Boards. Sports Boards are to ensure that their dependencies comply with Service regulations on civilian sponsorship and that all agreements are registered with the ASCB.

c. Army Sports Associations and Unions.

(1) Chairmen, Secretaries of Sports Associations and Unions are to comply with the regulations pertaining to Civilian Sports Sponsorship. They have delegated authority from the ASCB to make their own choice on which sponsorship route suits their requirements and then put in place the appropriate arrangements. All contracts and agreement are to be registered with the ASCB. Any areas of concern should be referred to Chief Clerk ASCB in the first instance. It is important to note that the MOD chases to distance itself from Sport Sponsorship and therefore the risk and personal responsibility lies with the individual in such contractual arrangements.

(2) For Sponsorship of non-core Defence activities, when a serving member of the Armed Forces or Civil Servant acts on behalf of a non-public body (Sports Association/Union) the following protocols must be adhered to:

(a) All correspondence and contractual business must be conducted under the auspices of the non-public body of your Association or Union, you are not to use MOD letter headings, not to sign under your official MOD capacity or on behalf of the Secretary of State (SofS).

(b) You must also ensure that when signing on behalf of the organisation that you are representing e.g. Trustees, officials of an Association/Union etc, you do so in the capacity you hold with the organization and not in your official MOD role e.g. Secretary of the association, rather than the Commanding Officer or Garrison Commander etc”.

SPONSORSHIP PROCESSES

10. Sponsorship processes vary according to the sponsorship route selected. In all cases sports officials will need to apply due diligence when selecting a sponsor and consider the following:

a. The Purpose of Sponsorship. Sports officials need to be clear on the requirement for sponsorship i.e. what will it achieve, what will be the benefits and to whom, what obligations will need to be undertaken and so on.

b. Conflicts of Interest. Clearly conflicts of interest must be avoided. Conversely, sponsors will want to pair with Sports Associations & Unions which provide a natural and comfortable match.

c. Appropriateness. Sponsorship must only be accepted from reputable organisations. In general providing the company is of a trustworthy nature and UK based, a sponsorship agreement can be discussed. Where sponsorship is considered from organisations that are not of UK origin consideration must be given to the wider national interest before it can be accepted. Sponsorship is strictly not allowed from companies associated with:

- Tobacco Industry.
- Legalisation of illegal drugs.
- Poor financial record.
- Violent or unsocial behaviour.
- Known political connections.

Any association with an alcohol company should only be entered into after very careful consideration.

d. Risk Assessments. Sports officials will need to undertake a formal risk assessment of proposed sponsorship to ensure that all the possible risks have been covered including the risk to the Army's reputation.

e. Sponsorship Agreement Reviews. Unlike MOD sponsorship, Sports Sponsorship contracts are not limited in time and agreements can be set up for as long as the two parties deem relevant. However, all sponsorship agreements must be reviewed annually by those sports officials who have been involved in either the instigation of the agreement, or who are now involved in the management of that arrangement by virtue of their official capacity in the sport. When officials change over the details of any sponsorship agreement must be included in the handover process and contracts will need to be re-established, signed and agreed with the sports new official charged with this responsibility.

f. Advice. If further advice is considered necessary when assessing suitability of potential Direct Sponsors Chairmen (or their delegated official) can obtain advice from Commercial Staff, the ASCB Secretariat, or other interested parties.

11. A Step by step process for putting in place sponsorship arrangements is included in Annex A to this directive.

MANAGEMENT OF SPONSORSHIP AGREEMENTS

12. The key to the successful management of sponsorship agreements is to nurture the relationship with the sponsor through regular and proactive communication in order to fulfil the obligations under the agreement. Thus, Sports officials should:

- Have a designated POC who is responsible for keeping sponsors informed.
- Fertilise the sponsorship through regular updates on the sport, that sponsors are included in Forecast of Events and are hosted at major events including prize giving ceremonies etc and that they are thanked.
- That sponsors have the opportunity to socialise with the Military community and are included in publicity events.
- That appropriate recognition is given to sponsors on magazines, clothing and/or equipment and in magazines, programmes and websites.

ACCEPTANCE OF GIFTS AND HOSPITALITY

13. Sponsors occasionally offer hospitality to Crown Servants. Typically this might be an invitation to attend the sponsored event. Land Forces Standing Order No 6101 (LSFO 6101), Fifth Revise dated May 2014 provides the necessary direction and guidance to Army personnel, civil and crown servants with regard to the hospitality that can be accepted.

14. Gifts to the MOD arising from sponsorship arrangements where the gift is not linked to the support of the sponsored activity are to be brought to the attention of the relevant TLB D Res to consider the propriety of accepting the gift and any financial consequences which would arise from accepting the gift.

15. Sponsors must not be, or appear to be given privileged access to Ministers or officials in return for cash or benefits in kind. However, military personnel can accept invitations to a Team Army or sponsored sporting events, particularly those who have an official appointment associated with the delivery or management of a sport, or those who participate in an Army sport. In considering whether or not to accept such an invitation, personnel should:

- a. Be aware of the current policy for the acceptance of gifts or hospitality. The policy principles that apply¹⁰ are clear and an individual must always apply the test set out in the Civil Service Code:

You must not accept gifts or hospitality or receive benefits from anyone which might reasonably be seen to compromise your personal judgement or integrity.

- b. Record acceptance in the recognised manner with an entry in the organisation's Hospitality Book/Register.
- c. Understand when they are being invited in their official appointment or as a private individual. In the latter case, their attendance is deemed off-duty and thus there is no entitlement to travel or subsistence at public expense. Further advice is available from the ASCB.

USE OF LOGOS

16. The use of authorized military logos such as the Army Crown and crossed swords is controlled by MOD's Intellectual Property Rights (IPR) IPT. In addition, the regulations on the use of the Army logo are laid down in ABN 92-12 British Army Branding Identity Instructions.

17. ASCB holds a register of Logo's for Army Sports Associations and Unions and whilst these may be used in relation to Sponsorship any alteration, or modification of existing, or proposed introduction of new logo's will require ASCB approval before being used.

18. For sports clothing and equipment the size of a sponsor's registered logo or trademark must comply with the instructions laid down by the UK National Governing Body for the sport concerned.

19. To avoid creating the perception of a link between the two organisations the Sponsor's logo and the Military logo must not appear side by side. The marks should preferably be on opposite sides of the page, and consideration should be given to how they appear on products (if applicable) to ensure that endorsement is not implied.

20. A Sponsor's main logo must be used in preference to a brand/product logo. Sponsors must not be allowed to use sales messages or advertising statements as part of their logo.

ENDORSEMENTS

21. Army Sports Associations and Union, teams or individuals must not 'endorse', or be seen to endorse, the sponsoring organisations or its products. In other words, names insignia and logos must not be used to imply that MOD particularly favours a Sponsor's products or services, or certifies the suitability of quality of them. Comment can be made that the sport is being sponsored by the company and that this sponsorship adds support to the sport, but no direct reference can be made to promote the products or equipment of the sponsor.

USE OF FUNDS

22. All Sponsorship funding received from Sponsors is classified as Non-public funding and must be reported as such in Association and Union Accounts. All Sponsorship funding must be sought, approved and managed in accordance with this Directive. The ASCB's Financial Instruction¹¹ provides the framework for the management of funds.

¹⁰ MoD Standards of Conduct and Behaviour, Gifts, Rewards and Hospitality Policy – Policy Principles.

¹¹ ASCB Finance Instruction Ed 1 dated Jan 12.

DASCB

Annexes:

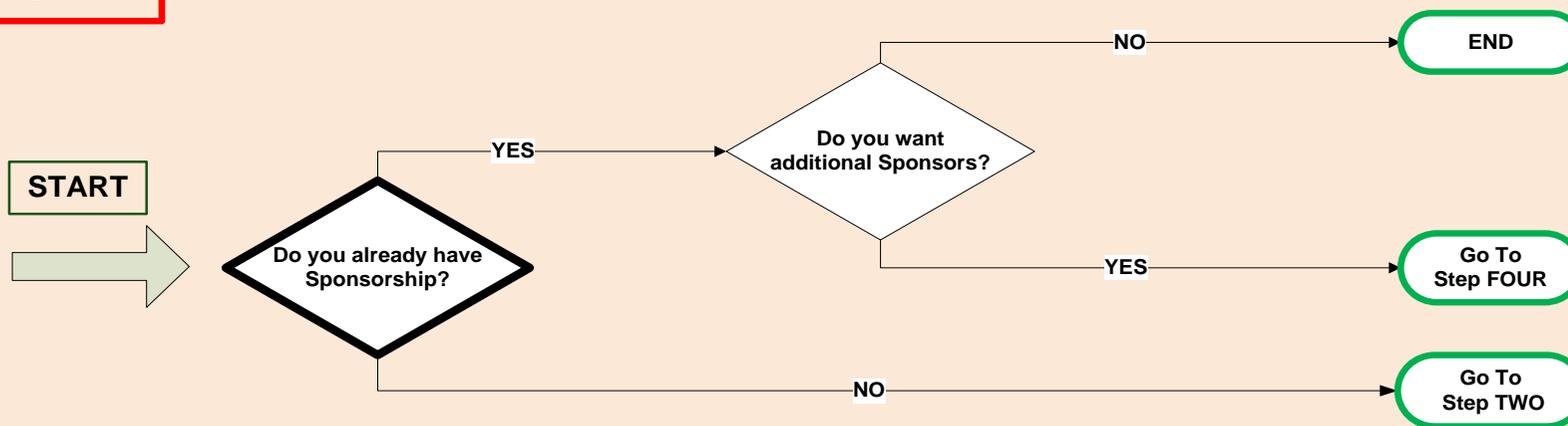
- A. Army Sports Sponsorship – “A Step by Step” approach.
- B. Direct Sponsorship Agreement Suggested Template.

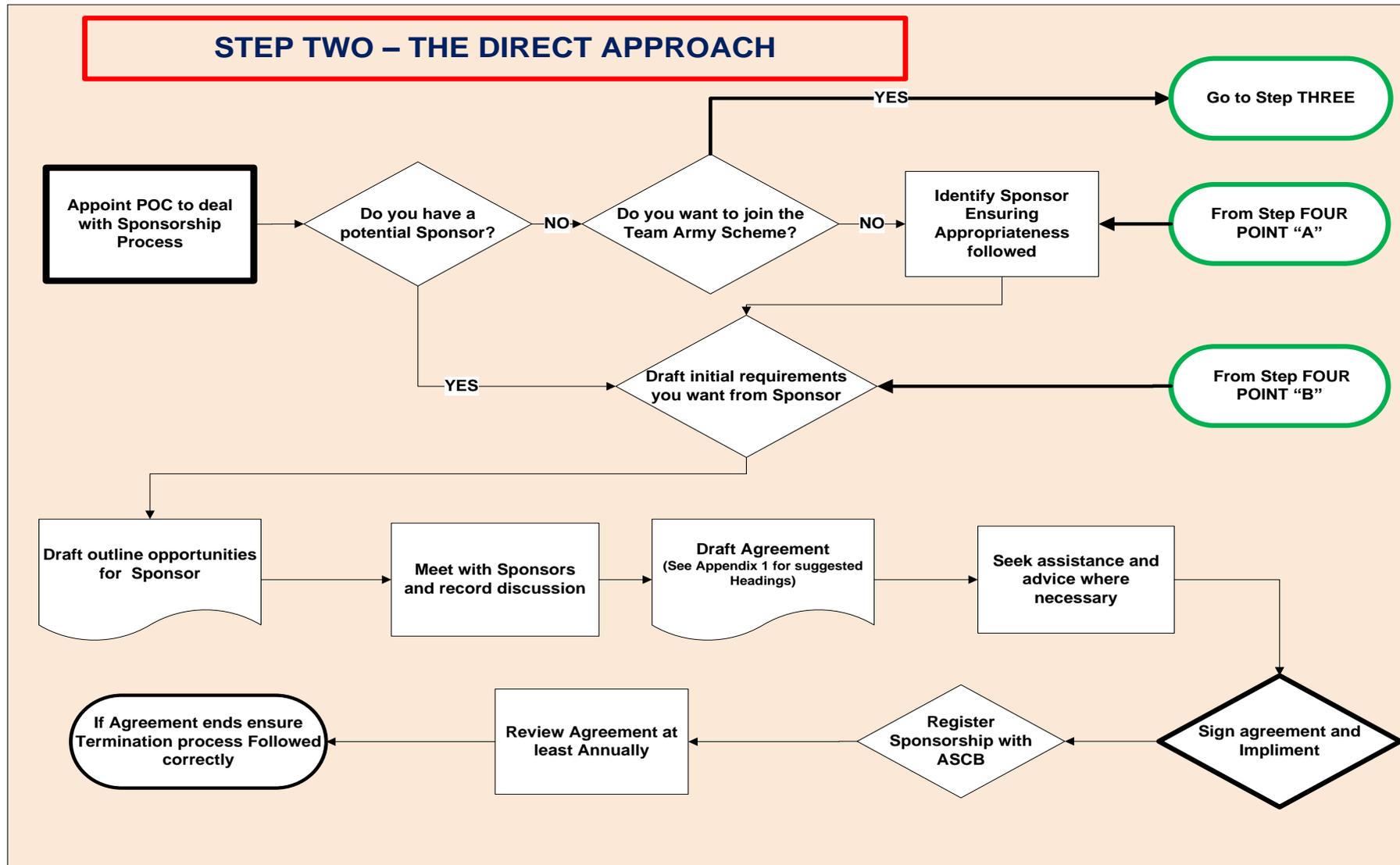


ARMY SPORTS SPONSORSHIP

A STEP BY STEP PROCESS

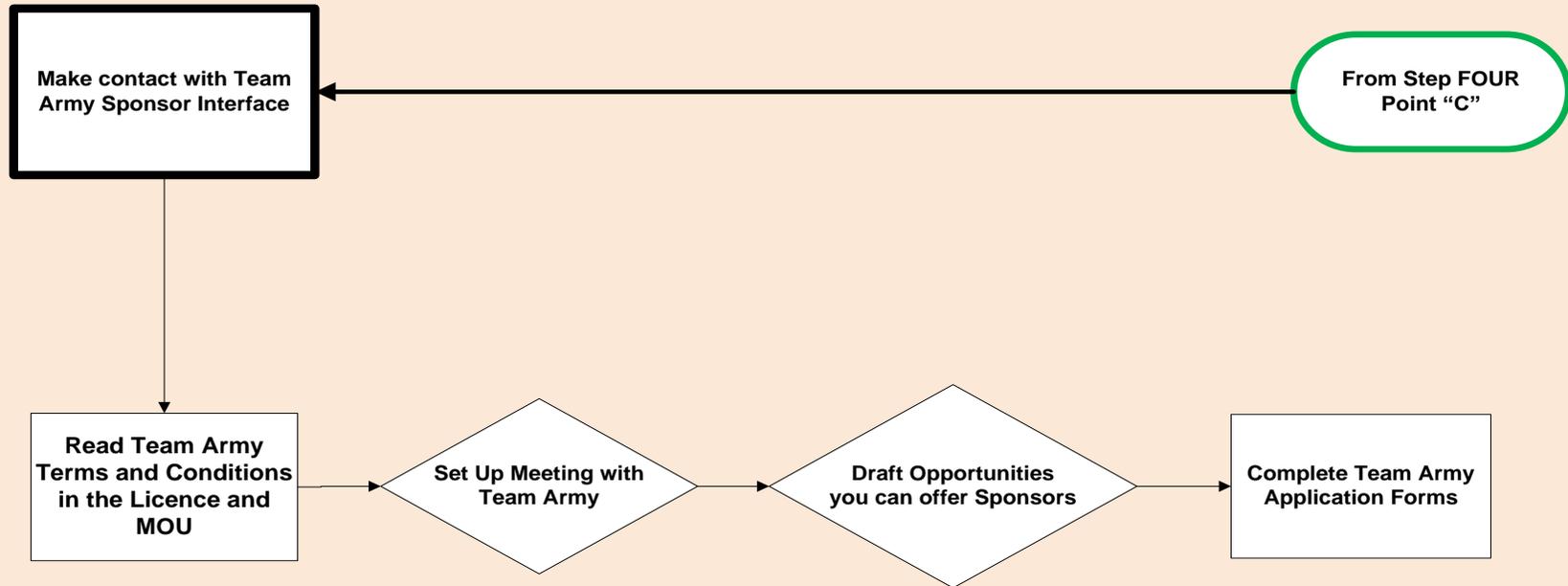
Step One





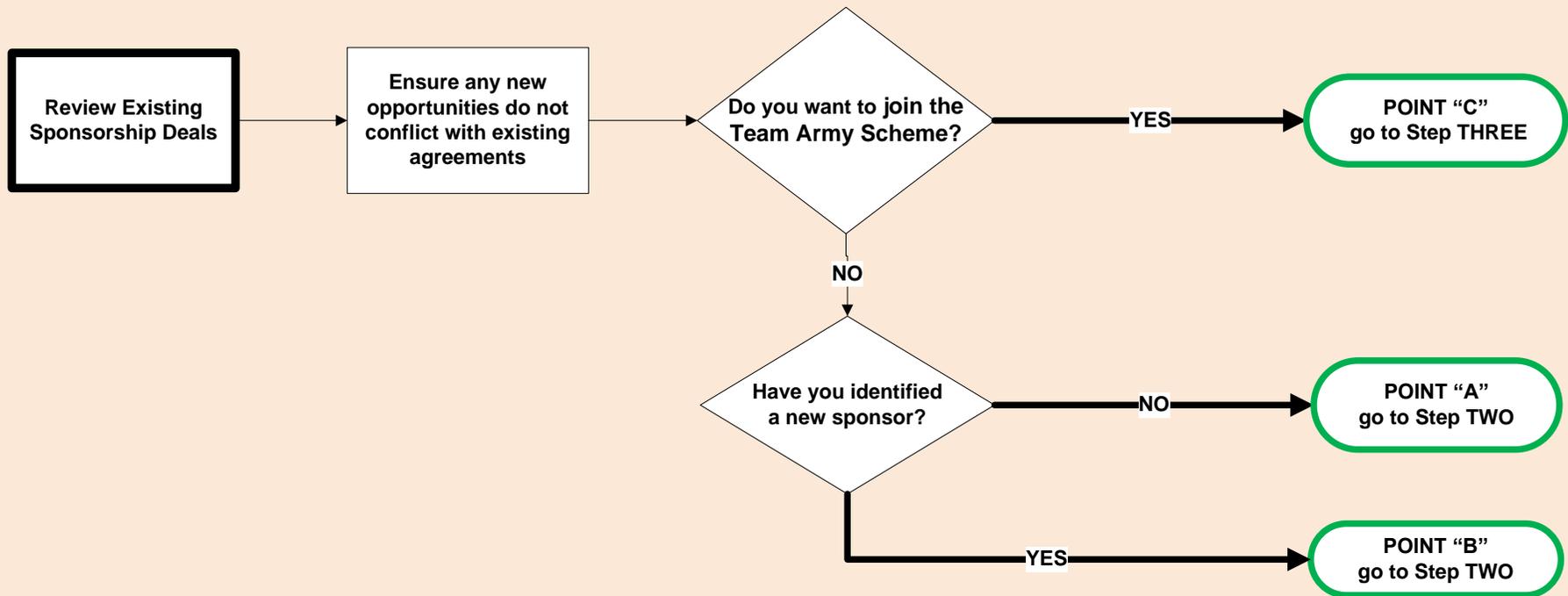
Ensure you record receipt of funds in the relevant Sport Association/Union Account.

STEP THREE – ADOPT TEAM ARMY SCHEME



Once sponsorship received from Team Army, ensure you record receipt of funds in the relevant Sport Association/Union Account.

STEP FOUR – THE TWIN-TRACK APPROACH



DIRECT SPONSORSHIP AGREEMENT TEMPLATE

➤ The following headings can be used in a direct sponsorship agreement; they are neither comprehensive nor compulsory. The agreement must however include the items in bold

1. **Participants** This Sponsorship Agreement is between

- “ *****”; *the Sponsor* and
- “**ARMY ***** ASSOCIATION**”; *the receiver*

2. Agreement time Frame. Is there a set period of the agreement

3. Sponsors Obligations.

- a. **To pay £**** (insert sum & regularity of payments).**
- b. **To provide (whatever is agreed, clothing, equipment data etc).**

4. Receivers Obligations.

- a. **Brand promotion (space for Sponsors mark on clothing and equipment).**
- b. **PR opportunities (linkage to VIP’s and events not normally available to the public)**
- c. **Ticketing (access to International, national and Army events for exclusive use of Sponsor)**
- d. **Networking (opportunity to meet Senior Officers associated with the Sport being sponsored, Other sports events such as award ceremonies).**

5. Mutual Obligations.

- a. **Appoint a main Point of Contact**
- b. Operate in good faith and fair working practise
- c. **To comply with all legislation, regulations and applicable law relating to this Agreement.**
- d. **Not to do anything to bring any of the names, logos, trademarks or reputations of the other into disrepute in any way.**

6. Renewals & Reviews. What to do when the agreement is due to cease. How the Annual review is to be carried out.

7. Termination of Agreement. The return of documents and material to the other party.

8. General Matters. Any additional matters that need to be clarified.

9. Exclusions. What is not covered.

10. Signatures. The document forms a contract between the sports association/union and sponsor with the named signatory being contractually and financially responsible.