



Accommodations Tax Guidelines & Application Instructions

What is Accommodations Tax?

- **Chapter 4, Title 6, of the SC Code of Laws, Accommodations Tax Funds are to be used only for projects that promote tourism.**

What is defined as tourism?

- “Travel” and “Tourism” mean the action and activities of people taking trips outside their home communities for any purpose, except daily commuting to and from work. *According to the S.C. PRT, the Travel Institute of America and other agencies, travel distance is generally defined as 50 miles. However, the Tourism Expenditure Review Committee considers any event that brings in tourists to a region and boosts the local economy.*

What general expenditures are allowable?

- **Accommodations tax funds must be used to attract and provide for tourists, and must be spent on tourism-related expenditures.** If expenditure cannot be directly related to tourism, then accommodations tax revenue may not be used to fund the expenditure. *Accommodations tax tourism funds may not be spent on purely local functions.*
 - In order to make this determination, the S.C. Tourism Expenditure Review Committee requests that entities provide an overall budget, percentage of tourists generated, a description of the event/project and total attendance to the event/project. This can be done by following the example posted on TERC’s website. <http://www.atax.sc.gov/> (If this information is available. Some entities do not track this data, and although not a requirement, the Committee asks that this information be provided in order to gain a better understanding of the expenditures).
 - To determine whether an item (or a facility) would normally be provided regardless of the extent of visitation, the Committee looks to see how the item addresses the needs of visitors relative to the needs of residents. The question is whether the item is consumed or used in the process of attracting visitors, by the visitors themselves, or by the community on their behalf; or if the item is consumed or used primarily by the resident population or on their behalf.
 - Certain tourism-related expenditures must be awarded on a “percentage of tourism” basis. Local governments must be able to substantiate how much of the total expenditure is related to tourism, and must be able to provide the “percentage of tourism” to the total budget of the project.
- **Tourism related expenses Per Title Six (6-4-5) of SC State Law.**
 - Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
 - Promotion of the arts and cultural events;
 - Construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;

- Criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
- Public facilities such as restrooms, dressing rooms, parks, and parking lots;
- Tourist shuttle transportation;
- Control and repair of waterfront erosion;
- Operating visitor information centers.

A-TAX GRANT PROCESS:

- To be considered for funding, an application must be received by the published deadline. Once all applications for A-Tax Grant funds are received by the Town of Lexington and eligibility is verified, they will be forwarded to the A-Tax Committee for review.
- Eligible applicants are urged to deliver a five (5) minute **presentation** on their program to the Committee. The date will be announced as soon as possible.
- The Committee will review each application and make funding recommendations to the town for review by Town Council. Town Council makes all final funding decisions; however, the Council relies heavily on the recommendations of the Committee. Funding of all organizations and/or projects is entirely dependent upon A-Tax Funds received by the Town of Lexington.

APPLICATION COMPONENTS:

Please answer each question to the best of your ability. Answers should be concise and to the point. Incomplete applications will not be reviewed.

The application form must be signed by the organization’s Executive Director or similar figure head. If your organization is volunteer driven and does not have an executive director, please note this in the signature line.

Part 1. Number of Participants – What is the estimated attendance for your event? This number should not include workers.

Part 2. Projected number of “tourists” attending event – Tourists are considered “People taking trips outside of their home communities for any purpose, except daily commuting to and from work.” The SC Tourism Expenditure Review Committee has adopted a guideline set by other travel industry entities, which states that a tourist is generally one that comes from 50 miles outside of their homes.

Part 3. Will your advertisements be outside of a 50-mile radius? - If they do not circulate outside of a 50 mile radius, the expenditures are not eligible under the South Carolina Accommodations Tax Law.

Part 4. Describe the methods or how you plan to track the number of tourists attending – You should establish a method in which you track where your attendees are traveling from. Many times this can be accomplished by asking for zip codes during ticket sales. Data should be collected and used to verify that you in fact have “tourists” attending your event.

Part 5. Description of the Project - Describe the project (a) in its totality, or at completion of the presently known ultimate stage, and/or (b) the portion, phase or section of the total project for which funding is now being requested.

Part 6. Benefit to Tourism and Community– Describe how your project will draw in tourists. Include support with data and other records or history if possible. How are you working with local hotels and other hospitality businesses? Describe how your project will benefit the community. Include support with data and other records or history if possible.

Part 7. Accommodations tax funding use – How will your program spend the A-Tax funds? Provide details on your plan and explain your expenditures. What sort of material will be purchased or produced with the funding?

A-TAX BUDGET AND ELIGIBLE EXPENDITURES:

- The budget should reflect in financial terms the actual costs of achieving the objectives of the project(s) you propose in your application. Budget forms are provided for you as part of the application.
 - **Project Expenditures** - List all known and anticipated line item expenditures related to your project. This gives the Committee a look into how you plan to spend funds for your project and reflects the used of your requested A-Tax funds. If available, provide expenditures from the previous year, the current year and anticipated future year.
 - **Project Income/Revenue** - List known and anticipated funding sources, including any that are pending. Be sure to include the Town of Lexington request in this list as well as any other A-Tax funding you are receiving. Also include the value of any in-kind contributions and mark as in-kind. If available, provide project income numbers from your previous year, the current year and anticipated future year.

Budget tips:

- Grant funds should be used for tourism marketing and promotion first above any other expense.
 - Grant funds should be used for tourism related expenses only.
 - Be as detailed as possible in your budget justification. This information will be compared to your payment requests. Items in your payment requests must appear in your application budget.
 - Signage and banners used at your event, directional signage, programs, volunteer t-shirts, and other items handed out at your event DO NOT count as eligible marketing expenses.
- **Eligible Projects that generally comply with the needs of the Town of Lexington**
 - **Advertising and Promotion of Tourism**

Under Code Section 6-4-10(4)(b)(1), monies in the Tourism-related Fund can be used for advertising and promotion of tourism to increase tourism in the county or municipality. Expenditures that would qualify under this category would include monies spent on magazine, newspaper, radio or television advertising in an attempt to promote the county or municipality to tourists. Qualifying expenditures also include revenues spent to promote the county or municipality to entities that specialize in tourism, such as bus tour companies and travel agencies. Examples of qualifying expenditures under this category include advertising in magazines such as Southern Living.
 - **Arts and Cultural Events**

Under Code Section 6-4-10(4)(b)(2), monies in the Tourism-related Fund can be used for the promotion of the arts and cultural events. Expenditures that can qualify under this category include money used for advertising or promotion of a particular festival (examples of such festivals might be the Spoleto Festival, the Lexington Peach Festival, or the Salley Chitlin Strut) or, money used for advertising and promoting arts and cultural events held in the county or municipality in an effort to attract tourists. Examples of events qualifying under this category include symphony orchestras, art shows, theater productions, home and garden or touring shows.
 - **Facilities for Civic and Cultural Events**

Under Code Section 6-4-10(4)(b)(3), monies in the Tourism-related Fund can be used for the construction, maintenance and operation of facilities for cultural and civic activities including construction and maintenance of access and other nearby roads and utilities for the facilities. Eligible expenditures under this category can include the costs incurred in building a civic center, a museum, or a coliseum. Tourism-related monies can also be used to fund the continued operation of such facilities including management fees or to pay the salaries of those who work at the facility,

as well as the cost of repairs and necessary additions to such facilities. Please note, the facility must enhance the ability of the county or municipality to attract and provide for tourists and cannot provide a purely local function or benefit.

○ **Visitors Centers**

Under Code Section 6-4-10(4)(b)(8), monies in the Tourism-related Fund may be used for operating visitors centers. Expenditures that will qualify under this category are any monies spent to operate and maintain centers whose primary purpose is to provide information, brochures, and other services to tourists.

APPLICATION PACKAGE:

In order to be considered for funding, applicants must submit a **complete** application package for the A-Tax grant program. Incomplete applications will not be considered. Complete applications include:

- Complete and sign the application form. Answer all questions and complete each section
- If your organization does not have an Executive Director, please note this in the signature area.
- Attach the following **REQUIRED** documents to your application.
 1. Attached Funding Expenditure Form
 2. Attached Funding Income/Revenue Form
 3. W-9 Form
 4. Letter from IRS confirming nonprofit status
 5. Confirmation of registration with the SC Secretary of State's Office as a nonprofit

Attachments MUST be submitted along with the proposal. Incomplete applications will not be evaluated.

Applications must be delivered by 4:00 pm Thursday, February 28, 2019. Emailed or faxed applications will not be accepted. Due dates are not post mark dates.

Applications must be received by 4:00 pm or they will not be accepted.

Mail Application to:

Town of Lexington Accommodations Tax Committee
Attention: Wesley Crosby
111 Maiden Lane
Lexington, SC 29072

Hand Deliver Application to:

Town of Lexington Municipal Complex
Attention: Wesley Crosby
111 Maiden Lane
Lexington, SC 29072

REPORTING REQUIREMENTS

At the completion of the grant funded project, the Town of Lexington requires grantees to complete a final report for A-Tax funds.

CONTACT

Wesley Crosby, Special Projects Manager, 111 Maiden Lane, Lexington, SC 29072, 803-358-1544, wcrosby@lexsc.com



2019 Accommodations Tax Funding Application

Applications must be delivered by 4:00 pm Thursday, February 28, 2019.

Requests for funds must meet the requirements of Chapter 4, Title 6, of the SC Code of Laws, Accommodations Tax Funds. For more information visit www.atax.sc.gov/laws_procedures.htm

PROJECT TITLE: _____

ORGANIZATION: _____

NON-PROFIT ORGANIZATION: Yes No FEDERAL ID #: _____
(Select one) **Note: For-profit organizations are not eligible to apply**

COUNTY MUNICIPAL 501(c)(3) OTHER: _____
(Select one)

CONTACT/PROJECT DIRECTOR'S NAME: _____

CONTACT'S ADDRESS: _____

PHONE NUMBER: _____ E-MAIL: _____

EVENT WEBSITE: _____

PROJECT CATEGORY: Destination Advertising and Promotion Tourism-Related Event
(Select one) Tourism-Related Public Services Tourism-Related Facilities
 Operation of Visitor Information Centers

PROJECTED TIMELINE: Beginning date _____ End date _____

ESTIMATED TOTAL PROJECT COST: _____

Amount should reflect the total amount listed on the Income/Revenue Form

TOTAL A-TAX FUNDS YOU ARE REQUESTING: _____

LOCATION OF PROJECT/EVENT: _____

PROJECT DETAILS: (Attach a separate page for items 1 – 6 if needed.)

1. Projected number of event participants: _____

2. Projected number of "tourists" attending event: _____
(Tourists: "People taking trips outside of their home communities for any purpose, except daily commuting to and from work." The SC Tourism Expenditure Review Committee has adopted a guideline set by other travel industry entities, which states that a tourist is generally one that comes from 50 miles outside of their homes.)

3. Will your project attract people from outside of a 50-mile radius? Yes No

4. Describe the methods or how you plan to track the number of tourists attending your event:

5. Include a description of the project:

6. Describe how your project will benefit tourism and the Lexington community:

7. Explain specifically how accommodations tax funds will be used:

8. Required Attachments:

Attach the following REQUIRED documents to your application.

Incomplete applications will not be evaluated. Repeat applicants are not required to submit items 3 – 5.

1. Attached Funding Expenditure Form
2. Attached Funding Income/Revenue Form
3. W-9 Form (1st Time Applicants)
4. Letter from IRS confirming nonprofit status (1st Time Applicants)
5. Confirmation of registration with the SC Secretary of State's Office as a nonprofit (1st Time Applicants)

STATEMENT OF ASSURANCES/CERTIFICATION

Upon grant application acceptance and funding award, the applicant agrees that financial records, support documents, statistical records, and all other records pertinent to Accommodations Tax funding shall be retained for a period of three years. All expenditures must have adequate documentation. All accounting records and supporting documentation shall be available for inspection by the Town of Lexington upon request. The applicant hereby certifies that the information submitted as part of this application is accurate and reliable. Any change and/or variation must be reported immediately, otherwise funding may be withheld.

Please indicate you have read: Chapter 6, Sections 6-4-5 (4) and 6-4-10, SC Code of Laws, 1976, as amended.

Yes No

Signature of Applicant

Date

RETURN COMPLETED APPLICATION TO:

Town of Lexington Accommodations Tax Committee
Attention: Wesley Crosby
111 Maiden Lane
Lexington, South Carolina 29072



**Accommodations Tax Funding Application
Expenditures Form**

PROJECT TITLE: _____

ORGANIZATION: _____

Please list expenditures by type for your project only.
List previous and future expenditures for similar type projects only. If your project is new for this year, you are not required to post past expenditures.

TYPE OF EXPENDITURE	Fiscal Year 2018 Past Project	Fiscal Year 2019 Current	Fiscal Year 2020 Future Projected
TOTALS			

(An attached budget from your organization may be substituted)



Accommodations Tax Funding Application

Income/Revenue Form

PROJECT TITLE: _____

ORGANIZATION: _____

(Please list income by type) Example: Town A-Tax, County A-Tax, Ticket Sales, etc.
List previous and future income for similar type projects only. If your project is new for this year, you are not required to post past income.

SOURCES OF INCOME	Fiscal Year 2018 Past Project	Fiscal Year 2019 Current	Fiscal Year 2020 Future Projected
TOTALS			

(An attached budget from your organization may be substituted)