



City of Sealy

Hotel Occupancy Tax Funding

Policy and Procedures

VERSION 2.2

City of Sealy, Texas HOT Funds Policy and Procedures

Introduction & Goals

The intent of this document is to provide requirements, procedures, guidance, and criteria to organizations that wish to apply for funding from the City of Sealy Hotel Occupancy Tax (HOT) Funds Program.

Municipal hotel occupancy taxes are governed by Chapter 351 of the Texas Tax Code. Additional HOT Funds policies and procedures are established by the City of Sealy. The City wishes to make (HOT) funds available to qualified events/projects/activities/facilities in accordance with the State’s Tax Code and the City’s policy and procedures. The City of Sealy currently collects a Hotel Occupancy Tax. Contrary to property and sales tax revenues which are commonly used for public purposes, local hotel occupancy tax (HOT) revenues are statutorily dedicated to directly promote and develop Sealy’s tourism, convention and hotel industry.

Sealy Hotel occupancy tax (HOT) revenue is awarded in the form of one-time event/project grants and annual programs. The goal of the program is to provide grants to organizations that directly promote: tourism, the convention & hotel industry, and produce overnight visitors, while acting in the best interests of the City of Sealy within its city limits. HOT funding is meant to assist and support qualified events. City Council grants (HOT) Funds as deemed appropriate on a case-by-case basis.

The policies and procedures herein define the terms of distribution of revenues from Sealy’s Hotel Occupancy Tax (HOT). The information has been divided into these sections:

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HOT Funds Annual Cycle

All Applicants are encouraged to meet with the City's Director of Finance as needed throughout the annual cycle to ensure the organization's expenses are in compliance with the terms of the program. The fiscal year starts October 1st and ends September 30th. The annual cycle is as follows:

- 1) For upcoming events, the City of Sealy's **Community Wide Event Application** must be completed and submitted. This application requires approval from the Chief of Police followed by City Council approval. The City of Sealy may require procuring and maintaining event insurance for the duration of the event.
- 2) **In the month of May:** the mayor appoints a City of Sealy HOT Funds Committee that is tasked with reviewing and making recommendations to City Council regarding the budget and allocation of HOT Funds. The HOT Funds Committee meets and reviews applications and past performance of each event, conducts interviews, validates final numbers, and writes a report that makes funding recommendations to City Council. The committee may also review prior experiences to make recommendations for improvements to the policy. A key responsibility of the committee is to ensure HOT Fund expenditures comply with state mandated category allocations and mandated funding ceiling and floor limits. Before participating, committee members will be required to familiarize themselves with the latest version of the Texas Tax Code Chapter 351 and the City of Sealy approved HOT Funds Policy to ensure proper execution of the program.
- 3) **The first week in June:** applications are available to organizations that wish to participate in the City of Sealy HOT Funds Program.
- 4) **The first week in July: Deadline to submit the City HOT Funds Application form.** All applications shall be completed and submitted via the below three options:

By Mail: City of Sealy- Attn. Director of Finance, PO Box 517, Sealy, TX 77474
In person: City Hall - 415 Main Street, Sealy, TX 77474
By Email: hotfund@ci.sealy.tx.us
To ask questions, please call 979-885-3511 and ask for the Director of Finance.
- 5) **In late September:** City Council approves or denies HOT funding requests from Applicants, awards HOT funding amounts, and approves the method of HOT payment for the next fiscal year's event.
- 6) **During the months of October/November:** City Staff sends award/decline letters to applicants and any other forms needed to comply with the program.
- 7) **Throughout the year:** HOT Funds recipients conduct their approved event/project. Each event incurs expense and the hosting organization is responsible to reconcile any HOT funding received by that organization in the method approved by City Council. The city's preferred method of HOT Funds payments to recipients is reimbursement of actual expenditures.
- 8) **Within 60 days after the conclusion of the approved Event:** HOT fund recipients shall complete the Post Event Form. However, if the event/project period covers more than 90 days, recipients must submit Quarterly Reports.

(HOT) Program Information

- 1) By law of the State of Texas, the City of Sealy collects Hotel Occupancy Tax (HOT) from hotels, bed & breakfast, inns, and any other lodging properties that collect hotel occupancy tax. Overnight stays in recreational vehicles/RV parks are not subject to city HOT; therefore, these stays should not be included as “overnight stays” in an event’s Application or Post Event reporting.
- 2) Applicants that have outstanding financial obligations to the City, or have an ongoing lawsuit against the City of Sealy are not eligible for HOT Funds.
- 3) Events will be considered for funding if the event takes place within the Sealy City limits. In order to be eligible for funding, the activity must directly promote tourism and the convention and hotel industry within Sealy City limits.
- 4) The Authorized Representative of the organization receiving HOT funding must have been authorized by all necessary corporate proceedings and actions to act on behalf of the organization. The Authorized Representative is responsible for all communication between the city and the organization. Notice to the Authorized Representative is notice to the organization.
- 5) Expenditure of HOT Funds does not authorize, endorse, or otherwise imply approval by the City of Sealy for items such as permitting or any Planning Department requirements, etc. The organization shall maintain all licenses, permits, as necessary, and the City of Sealy may require a certificate of insurance with specific coverage on events. Please inquire with the Director of Finance regarding licenses, permits, and event insurance. Also see page 14 for more details regarding insurance, permits, and licenses for alcohol, fireworks, RV or Circus event, and road closures etc.
- 6) If the HOT funded event is canceled, the organization’s Authorized Representative must notify the city within 10 days of the cancelation, and return unspent or ineligible HOT Funds to the City of Sealy. Recipient may request permission from City Council in a public meeting to repurpose the money for another previously approved event taking place within the same fiscal year. Please email: hotfund@ci.sealy.tx.us or address letter to City of Sealy- Attn: Director of Finance, PO Box 517, Sealy, TX 77474.
- 7) Organization agrees to collect and report to the City of Sealy, the Names and Tax ID numbers from each vendor authorized to conduct sales on the event premises and to notify the vendor that this information will be reported to the City of Sealy, Texas. Event vendors are expected to post a sales tax permit in a manner that is visible to the public, as well as and comply with State of Texas laws regarding collection and reporting of sales tax.
- 8) Organization shall make efforts to minimize event parking and traffic impact, especially with regard to business parking lots and patronage. Such efforts may include arranging to transport hotel guest and others via shuttle from satellite parking locations to the event drop off/pickup points. (*Note) Category H signage funds (if approved) can be used to help fund signs that direct shuttle traffic. Organizations should demonstrate to City Council their ability to coordinate with existing businesses to minimize impact to their business property.

- 9) **The Post Event Form: Must be completed and submitted within 60 days from the conclusion of the event.** A Post Event Form is required for each funded event/project. The report will be reviewed by the City to determine how well the entity met its goals, and will be used in consideration of future hotel occupancy tax funding requests. If the event/project period covers more than 90 days, organizations must submit periodic and post event information in Quarterly Reports instead of the Post Event Form.
- 10) **Projects lasting more than 90 days** shall report to City Council quarterly. These quarterly reports must be in a register-type format (i.e., spreadsheet), for both post event and periodic reporting, to account for the HOT funds, and in order to be eligible for future HOT funds. For each expenditure, the following information must be included with the report: Transaction Date, Check/EFT Number, Payee Name, Purpose of Expenditure, Dollar Amount Paid, if the payment has cleared or is outstanding, Applicable HOT Fund Category (A through H). If an organization receives advance funding, they are required to set up a separate HOT Funds checking account.
- 11) No person is authorized to act on behalf of the City to verbally override or modify the policies and procedures other than a vote of City Council.

Budgetary Items

- 12) Any unclaimed or unused grant money will be forfeited post event. HOT Funds that were paid upfront and were not used, or used for ineligible expenses shall be returned to the City of Sealy within 10 days of the event. Once an Event has concluded, the organization has 60 days to complete their request for funding. Any uncleared checks expire in 180 days, will not be reissued. However, the organization may make a **written** request to the City of Sealy to utilize the unexpended funds for another pre-approved HOT Fund related event within that same funding cycle. The request to City Council must then be approved by the City Council at a public meeting.
- 13) In case of cancelations/discounts/overbilling, any money refunded to the organization which originated as HOT funds shall be reported and returned to the City of Sealy. If a recipient has received advanced HOT funding, they are required to return funds to their HOT checking account.
- 14) Organization agrees to provide the following metrics about your event as required for post event reporting, including but not limited to:
 - Event attendance numbers
 - Number of hotel rooms reserved
 - Number of hotel rooms actually booked
 - Event ticket prices (if fee was charged)
 - Event profit:
 - Calculation formula: Total sales/income – total event/project expenses = PROFIT.
- 15) The organization must designate someone with the ability to maintain a checkbook register to track and retain paid invoices/receipts, expenses and reimbursements for your events. All paperwork shall be retained by the organization for a period of three years. The City reserves the right to ask for additional documentation and audit your HOT fund expense and reimbursement records. Upon the City's request, the organization shall make HOT fund expenditure-related records, including checks and invoices, available for inspection and review by City Council or any other authorized representative of the City.
- 16) A portion of event profits (if a profit was generated) must be channeled into the future costs of operating that same event or the continued operation of the project. At least 25% profit shall be channeled into costs of conducting next year's event.

- 17) All event expenses are always subject to approval from the City of Sealy and are dispersed on a case-by-case basis. Details for funding eligibility can be reviewed on page 7.
- 18) Expenditures for tokens of appreciation, volunteer recognition, and thank you cards/gifts do not qualify for project/event HOT Fund expenses.
- 19) Any mishandling of funds by the organization or the authorized representative will be presented to City Council for determination of cure, or possible termination, of event funding.

20) **Funding Priority**

Funding priority will be given to those events and organizations based upon their documented ability to directly promote tourism and the convention and hotel industry in the City of Sealy. The following guidelines are provided to make applicants aware of the City's priorities when reviewing and evaluating the HOT Funds Application AND Post Event Form.

- Ability to provide a record of increased hotel or tourism and visitor's activity. Applicants should provide a record of the number of rooms nights used during previous years of the same event/activity/facility.
- Ability to provide projected and actual size of room blocks reserved at area hotels to accommodate overnight guests attending the funded event/activity/facility; room block must be differentiated between rooms for artist and room blocks for event attendees.
- Provide the projected and actual number of guests at hotels or other lodging facilities that attend the funded event/project/facility. (Information can be found through surveys, guest directories, or other sources)
- Ability to quantify the projected and actual number of overnight stays at Sealy hotels to be generated by the event.
- Provide examples of planned and actual marketing or programs and activities likely to generate or encourage overnight visitors to local lodging properties.
- Ability to display that a portion of the revenues from the event/project receiving funding from HOT funds was channeled back into the future costs of operating that same event or the continued operation of the project.
- Applicants are encouraged to utilize local businesses for materials, food, printing, etc.
- The City will prioritize funds to newer events which need seed money.

(HOT) Program Facts and Myths

HOT Fund Facts:

FACT: This is tax revenue.

FACT: The HOT Funds are designed to benefit HOTELS and tourism.

FACT: The Legislature created approved funding categories.

FACT: Every tax dollar awarded must be categorized—no LUMP Sums.

FACT: Events and Projects are funded—NOT Organizations.

FACT: The Legislature set the grant system up to favor CVB funding.

FACT: The City has to distribute at least 14% to Advertising that promotes hotels.

FACT: In 1977, the legislature started allowing up to 15% to go to the ARTS.

FACT: The City is required to report to the Texas Comptroller’s office an annual report showing to which categories the funding was distributed.

HOT Fund Misconceptions:

MYTH: The City can distribute HOT Funds however it wants.

MYTH: This is a grant program.

MYTH: HOT Funds are designed to support charitable causes.

MYTH: HOT Funds are designed to support community organizations.

MYTH: HOT Funds are designed to provide scholarships & education.

MYTH: Every applicant qualifies for HOT Funds.

MYTH: The city has to spend all the money.

MYTH: You can’t really spend it on anything other than events.

MYTH: Organizations are awarded one lump sum.

MYTH: HOT Funds are designed to fully fund events/projects.

HOT Fund’s Eligibility

All HOT Fund expenditures must comply with Federal, State, and local laws, including, but not limited to, the Hotel Occupancy Statute, copyright laws, licensing requirements, and City Policy.

You should make yourself aware of the following criteria, restrictions and requirements.

Authorized Uses:

Eligible HOT Fund expenditures must meet the two requirements: **Requirement #1:** The State of Texas Tax Code Chapter 351 governs municipalities’ Hotel Occupancy Taxes. This tax code grant is not intended to help charities or noble causes. The authorized use of these funds is to **Directly** promote tourism **AND** the convention and hotel industry. Both aspects must be met.

Remember: “Heads in Beds”

The use of HOT Funds must meet Requirement #1 before being evaluated against Requirement #2.

Requirement #2: The Legislature has defined specific categories & criteria for qualified funding. The law requires the grant money to be allocated based on specific categories.

The Categories include:

- A. Convention Centers and Visitor Information Centers
- B. Convention Registrants
- C. Advertising and Promotions
- D. Promotions of the Arts
- E. Historical Uses
- F. Sports Facilities
- G. Funding Tourist Transportation/ Shuttles to Area Attractions
- H. Signage

When in doubt, you should consult with the City of Sealy’s Director of Finance to ensure the event’s expenditures meet the qualifications. The City’s determination of eligible expenditures will be final. If the event is awarded HOT Funds, all funding will be allocated into the following categories based on information reviewed in the organization’s application, post event reporting, media placements, and any follow-up questions/interviews.

Criteria for Each Category:

The list below provides detailed information of funding criteria, restrictions and requirements. This list is not exhaustive for your event/project/activity/facility.

CATEGORY A: Convention Centers and Visitor Information Centers: the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing operation and maintenance of convention center facilities or visitor information centers, or both.

CATEGORY A funds the establishment, improvement, or maintenance of a convention center or visitor information center. The Sealy Convention & Visitors Bureau is a visitor information center. This category includes salary for staffing the visitors center. If the staff performs both tourism functions, HOT should only be used proportionate to the percentage of time spent on tourism.

- The term “convention center” is defined to include civic centers, auditoriums, exhibition halls, and coliseums that are owned by the city or another governmental entity or that are managed in whole or in part by the city.

- To be eligible for HOT as a “convention center”, **more than 50 percent of the bookings for the facility must have been to host conventions or meetings that directly promote tourism and the hotel and convention industry.**
- A venue booked for weddings at least 50% of the year will bring in guests from out of town—thus it would qualify for HOT funds.
- Simply naming a facility a convention center or visitor information center does not automatically qualify the facility as a “convention center.”
- General civic buildings such as the city hall, local senior citizen centers or activity centers would **not** qualify as convention centers that could be funded by hotel tax.

CATEGORY B: Registration of Convention Delegates: the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
 Category B funds expenditures for administrative costs that are actually incurred for assisting in the registration of convention delegates or attendees. **This is generally an expenditure for larger cities that hold large conventions,** and includes covering the personnel costs and costs of materials for the registration of convention delegates or attendees.

CATEGORY C: Advertising, Solicitations and Promotions that Directly Promote Tourism and the Hotel and Convention Industry: advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;

Category C funds advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity. The marketing must directly promote **the hotel & convention industry.** This requirement includes all advertising formats. Event advertising must include promotion of hotel stay to be to be considered an eligible HOT Fund expense. Use of hotel chain logos will help tourists have an awareness of where they can stay. Hotel logos must be a reasonable size that the average person can notice and view. (No fine print) Suggestions to meet this requirement include: ensuring that area hotels are listed on tourism websites, radio ads which should include some phrasing such as: *"When the event is over, plan to stay with us. Make your reservation now at one of Sealy's hotels."*, paid “news coverage”/stories should include something like: *"The event organizer tells us that you'll definitely want to make a full day of it and get reservations to stay at one of Sealy's hotels."*, posters, flyers and billboards should include logos (contact Convention & Visitor’s Bureau if needed) and promotion of hotel stay such as the following (be sure to verify as current any contact info you use):



Newspaper ads must include promotion of hotel stay as noted above—unless the ad is so small that logos wouldn’t fit (1”x1”)—in which case the ad can simply say something like *“Book your hotel stay now”*.

CATEGORY D: Promotions of the Arts that Directly Promote Tourism and the Hotel and Convention

Industry:

Category D funds the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include: instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.

- Qualified funding **includes** but is not limited to:
 - Contract to book an entertainer/artist
 - Hotel accommodation costs for artist and/or crew
 - The creation of an arts building would not qualify.

CATEGORY E: Historical Restoration and Preservation Activities that Directly Promote Tourism and the

Hotel and Convention Industry: historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.

Category E funds enhance historical restoration and preservation projects or activities, or advertising and conducting solicitations and promotional programs to encourage tourists* and convention delegates to visit preserved historic sites or museums that are likely to attract tourists* and hotel guests.

- It is not enough that a project or activity event merely be historical in nature; Texas law requires that the historical related expenditure also directly promote tourism and the hotel and convention industry.
- A project such as historical placards that describe historical objects/building qualifies as a historical preservation effort.

CATEGORY F: Sporting Event Expenses that Substantially Increase Economic Activity at Hotels:

Category F funds expenses include promotional expenses, directly related to a sporting event in which:

- **The majority of participants are tourists*** (see page 10 for definition). The total athletes and number of tourist athletes participating should be submitted based on registration data collected.
- The event must **substantially increase economic activity at hotels within the city or its vicinity.**
- RV park stays **are not** hotel stays
- CATEGORY F funding reimbursement may vary depending on the number of sporting event participants who show up. For this reason, some funds may remain unclaimed.
- CATEGORY F funding **cannot** be used for local sporting activity such as Little League, intramural sports, etc., except in the case of regional, state or national tournaments.
- CATEGORY F has very specific criteria and **does NOT include** infrastructure items such as fencing, scoreboards, etc. In general, the types of game-related items covered only exist during your event: *Examples include: Umpire Fees, Tournament Software and Coordinator Fees, Sanction Fees, Award Expenses*

CATEGORY G: Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: the commercial center of the city; a convention center in the city; other hotels in or near the city; or tourist attractions in or near the city. The law specifically prohibits the use of the local hotel tax to cover the costs for general city transit costs to transport the general public.

Category G funds transportation of tourists from hotels to attractions via transportation system that is **owned and operated by the municipality** or privately owned and operated but partially financed by the municipality, or shuttle costs that are for transit provided by a separate for-profit company. For example, the event may want to contract to provide a shuttle to take hotel guests from a number of different properties all to one site hosting a major tourism event or attraction. **Sealy does not currently own or operate a transportation system so funding will not be granted in this type of instance.** A donation to a complimentary shuttle service such as Colorado Valley Transit would **not** be permitted under the HOT statute.

CATEGORY H: Funds signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

- Examples of signs that qualify include:
 - Those that would be placed at Sealy hotels to direct guest to a shuttle pickup point
 - Those that would be placed at shuttle pickup/drop-off points at the event
 - Those that would direct hotel guest where parking is allowed and not allowed
 - Those that would help tourists navigate event locations- such as numbers or letters for booths that correlate to an event site map
 - Yard signs made of coroplast with wire stakes, such as those used for political campaigns are acceptable
 - A permanent highway sign along IH-10 which says *“State Historic Museum, 1 mile”*

External signs directing tourists, such as those near the street, should be made of weatherproof material, and use mounting mechanisms that are weather resistant. If possible, use generic verbiage so that signs could be used again for future events. For example: **Avoid** using specific dates, years, or pricing:

“ArtFest Parking \$20.00”

“ArtFest 2016 Shuttle Pickup”

Examples of signs that would **NOT** qualify include:

- Signage directing vendors, volunteers, delivery trucks or back-stage participants
- Signs showing the price of event admission or products

Do not use poster board and permanent marker and put the sign in a bucket with bricks

**** Tourist is defined as “an individual who travels from the individual's residence to a different municipality, county, state, or country for pleasure, recreation, education, or culture”.***

The table below demonstrates how an event's HOT Funds may be distributed by City Council and presented in the funding approval letter. Funds may not be commingled with other categories or other events.

Category	Summary Description	Grant Amount
A	Funding the establishment, improvement, or maintenance of a convention center or visitor information center .	\$
B	Paying the administrative costs for facilitating convention registration .	\$
C	Paying for advertising, solicitations, and promotions that attract tourists* and convention delegates to the city or its vicinity.	\$
D	Expenditures that promote a variety of art-related programs that also promote tourism and local hotel and convention activity.	\$
E	Enhance historical restoration and preservation projects or activities , or advertising and conducting solicitations and promotional programs to encourage tourists* and convention delegates to visit preserved historic sites or museums that are likely to attract tourists* and hotel guests.	\$
F	Funding sporting events that substantially increase economic activity at hotels including promotional expenses, directly related to a sporting event in which the majority of participants are tourists*.	\$
G	Funding transportation of tourists from hotels to attractions via transportation system that is owned and operated by the municipality or privately owned and operated but partially financed by the municipality.	\$
H	Signage directing tourists* to sights and attractions that are visited frequently by hotel guests in the municipality.	\$

If in doubt, contact the City of Sealy's Director of Finance before making the expenditure. If you have any questions about this grant, please do not hesitate to contact us at hotfund@ci.sealy.tx.us or by phone at 979-885-3511.

The (HOT) Application Information

- 1) Applications may be requested from the City of Sealy during the month of June. Applications must be submitted no later than the first week in July. Please request and submit applications:
 - By Mail: City of Sealy- Attn: Director of Finance, PO Box 517, Sealy, TX 77474
 - In person: City Hall 415 Main, Street Sealy, TX 77474
 - Email: hotfund@ci.sealy.tx.us
- 2) The City considers applications for events, projects, activities, or facilities which meet the State of Texas Statute regarding HOT Funds, which includes: the necessary **Requirement #1 of Directly** promoting tourism **AND** the convention and hotel industry, as well as the **Requirement #2** of fitting into one or more of the listed categories (on page 7)
- 3) The consideration of HOT Funds requests will take place once a year through a formal process. During the evaluation process, applicants may be asked to present information and answer questions from the HOT Committee and/or City Council. If the organization's attendance is requested, the authorized representative will be notified one week prior to the meeting when practicable. Please ensure completeness of the Application and include all required documentation as listed.
- 4) The Event/project/activity/facility shall abide by the City of Sealy's HOT Funds Policy and Procedures and meet the General Eligibility requirements identified in the section: Eligibility (page 7). If an event will not generate any meaningful hotel night activity, it is not eligible for receipt of hotel occupancy tax funds.

Keep a copy of the application, it will be a reference when reporting post event information.

Please return completed application with necessary attachments and signature to the City of Sealy by the application deadline. If you have any application questions, please contact the Director of Finance at hotfund@ci.sealy.tx.us or 979-885-3511.

Notification of Funding Decision

- 1) Applicants receive notification of event funding after City Council makes determinations. City Staff will present applicants with a letter of approval or denial. The letter of approval specifies the event’s method of payment and the awarded dollar amounts per category that may be expended. A letter of denial will outline the reason(s) HOT Funds were not awarded.
All HOT expenditures must meet **Requirements #1 and #2**: Please see page 7 for more information.

Approval Letter

- 2) The approved Event’s grant money must be spent according to the terms specified by the State Statute, the City of Sealy, and City Council. When in doubt, you should consult with the City of Sealy’s Director of Finance with questions to ensure your expenditures qualify. The City’s determination will be final. The law requires the grant money to be allocated based on specific categories. Your approved funding was allocated into categories based on information you provided in your Application, Post Event Report and follow-up questions/interviews.
- 3) Recipients who received an Approval of Funding Letter will also receive the **Request for Funding Form** and the **Post Event Form**.
 - Recipients shall submit one **Request for Funding Form** per invoice. The Request for Funding Form is used for the reconciliation of qualified HOT Funds expenses.
 - All entities that are approved for HOT Funds must complete and submit the **Post Event/Report Form** within 60 days of the conclusion for each funded event/project. The report will be reviewed by the City to determine how well the entity met its goals and will be used in consideration of future hotel occupancy tax funding requests. If the event/project period covers more than 90 days, projects must submit periodic and post event information in Quarterly Reports instead of the Post Event Form.
- 4) During Event progression please keep financial records available as outlined in the Sealy HOT Policy and Procedures (page 5)

Budget Items

- 5) Approvals for HOT Funds are by EVENT—not ORGANIZATION. If approved for more than one event, you cannot commingle expenses or funding between events.
- 6) Due to category caps, funding shall be expended as directed by City Council (found in the Notification of Funding document), and cannot be shifted from one **category** to another.

For any questions/concerns please contact email: hotfund@ci.sealy.tx.us or by phone 979-885-3511.

Event Insurance, Permits & Licenses

Event Insurance

The City of Sealy may require event insurance. Please check with the City of Sealy’s Director of Finance regarding insurance coverage for all events, projects, and activities.

Permits & Licenses

Please contact the City Secretary Department for details regarding road closures permits and licenses and such as: Alcohol, Fireworks, Overnight RV Stays in City Parks, Circus and Event Permits. There may be additional fees for these items. hotfund@ci.sealy.tx.us **PHONE: 979-885-3511**

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Statement of Agreement

I have read, understand, and agree to fully comply with the information provided to me within the City of Sealy HOT Funds Policy and Procedures. I agree to accept that the City’s decision and interpretation of the (HOT) statute regarding what qualifies for HOT Funds expenditure/ reimbursement is final. I intend to use the funding for the event/project to directly promote tourism and support the convention and hotel industry by attracting visitors and overnight guests for the economic enhancement for the City of Sealy.

In situations including where an event is canceled or an amount is refunded that has already been reimbursed by the City, I agree to notify the City within 10 days and refund HOT funds where appropriate. I acknowledge that I am not able to rollover or otherwise take funding from one year and apply it to a prior or future event’s expenses.

This policy replaces all previous policies adopted by the City regarding the disbursement of city HOT funds except as specifically noted in this policy.

Authorized Representative Signature _____ Date _____

Printed Name _____

Title and Organization _____



Hotel Occupancy Tax Application for Funding

Please fill out Application clearly and completely; submit to the City of Sealy by the first week in July. Be sure to keep a copy for your records.

Based on the application, previous year's Post Event Report, and any other information given to the City from questions and interviews, the HOT Funds Committee will make a recommendation regarding funding to the City Council. The Sealy City Council will make the final decision on your request.

Date: _____

Event Information

Name of Event or Project: _____

Date of Event or Project: _____

Primary Location of Event or Project: _____

Amount Requested: \$ _____

Total projected cost of event \$ _____

What is the total projected amount of funds that will be rolled over to fund next year's event? It must be at least 25% of the profit from the event.

\$ _____

If the event is awarded funds, how will the funds be used? What types of costs will be covered?

Primary Purpose of Funded Activity/Facility/Project:

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

Web Site Address for Event or Sponsoring Entity: _____

Non-Profit or For-Profit status: _____ Tax ID #: _____

Entity's Creation Date: _____

Purpose of your organization:

Which Category or Categories Apply to Funding Request, and Amount Requested Under Each Category: Please also refer to the HOT Funds Policy and Procedures for further detail on each category below.

A) Convention Center or Visitor Information Center: construction, improvement, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both. Amount requested under this category: \$ _____

B) Registration of Convention Delegates: furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants. Amount requested under this category: \$ _____

C) Advertising, Solicitations, Promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity. Amount requested under this category: \$_____

D) Promotion of the Arts that Directly Enhance Tourism and the Hotel & Convention Industry: the encouragement, promotion, improvement, and application of the arts that can be shown to have some direct impact on tourism and the hotel/convention industry. The impact may be that the art facility or event can show hotel nights that are booked due to their events or that guests at hotels attend the arts event. Eligible forms of art include instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture photography, graphic and craft arts, motion picture, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms: \$_____

E) Historical restoration and preservation projects or activities or advertising and conducting solicitation and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums. Amount requested under this category: \$_____

F) Expenses including promotional expenses, directly related to a sporting event in which the majority of participants are tourists. The event must substantially increase economic activity at hotels within the city or its vicinity. Amount requested under this category: \$_____

How many individuals are expected to participate in the sporting related event? _____

How many of the participants at the sporting related event are expected to be from another city or county? _____

Quantify how the sporting related event will substantially increase economic activity at hotels within the city or its vicinity?

G) Funding transportation systems for transporting tourists from hotels to and near the city to any of the following destinations: 1) the commercial center of the city; 2) a convention center in the city; 3) other hotels in or near the city; and 4) tourist attractions in or near the city. Amount requested under this category: \$_____

What sites or attractions will tourists be taken to by this transportation?

Will members of the general public (non-tourists) be riding on this transportation? _____

What percentage of the ridership will be local citizens? _____

H) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality. Amount requested under this category: \$ _____

What tourist attractions will be the subject of the signs?

Questions for All Funding Request Categories:

**It should be noted that overnight stays within Recreational Vehicles and RV Parks are not counted as HOT.*

1. How many years have you held this Event or Project? _____
2. Number of days of Event _____ Timing for each day: _____
3. Expected Event Attendance: _____
4. How many people attending the Event or Project are anticipated to use Sealy hotels? _____
5. Total number of room nights attendees are anticipated to stay in Sealy hotels: _____
6. Do you reserve a room block for event attendees, (not artist/performers) at an area hotel?
 YES NO
7. If so, for how many rooms and at which hotels (Event attendees only)?

8. Differentiate the numbers of hotel night stays between rooms for artists/performers and room blocks for event attendees.

Number of hotel nights for artists/performers _____

Number of hotel nights for event attendees _____

9. Project the percentage of those in event attendance that are staying at area hotels/lodging facilities? The percentage shall not include RV night stays. _____

10. List, over the last three years of the event’s history, the financial amount of assistance given from HOT Funds from the City of Sealy and the number of hotel room nights generated:

Month/Year Held	Assistance Amount	Total Number of Hotel Nights Generated
_____	_____	_____
_____	_____	_____
_____	_____	_____

11. Will you negotiate a special rate or hotel/event package to attract overnight stays?

YES NO

12. How will you measure the impact of your event on area hotel activity (e.g.; room block usage information, survey of hoteliers, attendee survey, etc.)?

13. Please list other organizations, government entities, and grants that have offered financial support to your project:

14. Will the event charge admission? YES NO

15. Do you anticipate a net profit from the event? YES NO

16. If there is a net profit, what is the anticipated amount \$ _____

17. What is the anticipated use of the net profit from the event?

18. If the Event is applying for funds from **Category C**, please list all promotion efforts your organization is coordinating for this year's event and the amount financially committed to each media outlet.

Newspaper: \$ _____

Radio: \$ _____

TV: \$ _____

Other Paid Advertising: \$ _____

Number of Press Releases to Media: _____

Number Direct Mailings to out-of-town recipients: _____

Other Promotions

19. What marketing initiatives will you utilize to promote hotel and convention activity for this event?

20. What geographic areas does your advertising and promotion reach?

21. Will you include a link to the Convention and Visitor’s Bureau or other source on your promotional handouts and in your website for booking hotel nights during this event? <https://discoversealy.com>

YES NO

Any other sources? _____

22. How many individuals will your proposed marketing reach who are located in another city or county (most media offerings can provide this information)? _____

23. If the funding requested is related to a permanent facility (e.g. museum, visitor center): Expected

Attendance Monthly/Annually: _____ Monthly _____ Annually Percentage of those in

attendance that are staying at area hotels/lodging facilities (number shall not include RV night

stays) : _____ %

Supplemental Information Required with Application:

- Community Event Form
- Proposed Marketing Plan for Funded Event
- Schedule of Activities or Events Relating to the Funded Project
- Submit a list of the event’s agenda with all pricing documentation

Please Submit Application no later than the first Monday in June to:

CITY OF SEALY
ATTN: DIRECTOR OF FINANCE
PO BOX 517
415 MAIN STREET
SEALY, TEXAS 77474
hotfund@ci.sealy.tx.us
PHONE: 979-885-3511



CITY OF SEALY HOTEL OCCUPANCY TAX FUNDING

Acknowledgement Form

City of Sealy Hotel Occupancy Tax Policy and Procedures

Statement of Agreement

1. I fully understand and agree with the Hotel Occupancy Tax Use Policy and Procedures, and HOT Fund's application process established by the City of Sealy; and acknowledge receipt of the Current Policy.
2. I intend to use the funds for the aforementioned event/project/facility to advance the efforts of the City of Sealy in directly enhancing and promoting tourism and the convention and hotel industry by attracting visitors and hotel guests from outside the area.
3. If the event reflects a profit, 25% of the profit must be retained as seed money for future events.
4. I have been provided the opportunity for training from the City of Sealy's Director of Finance regarding the HOT Funds policy and process.
5. I understand I must provide a designated point of contact person for the City of Sealy's Director of Finance to reach out to with any questions or financial information requests.
6. I understand that if awarded the reimbursement method, I will not receive any funding until the Post Event Form and all required paperwork are submitted.

I acknowledge that the information provided in this application is true and correct.

Authorized Signature

Date

Printed Name

Title and Organization



CITY OF SEALY HOTEL OCCUPANCY TAX FUNDING

Post Event Form

All entities that are approved for HOT Funds must submit a Post Event Form within 60 days of the conclusion of each funded event. The report will be reviewed by the SEALY CITY COUNCIL to determine how well the entity met its goals and be used in consideration of future hotel occupancy tax funding requests.

Date: _____

Event Information

Name of Event or Project: _____

Date(s) of Event or Project: _____ (length of event)

Primary Location of Event or Project: _____

Event Contact Name: _____ Event Contact Phone Number: _____

Amount of HOT Funds Requested: \$ _____

Amount Received: \$ _____ Amount of HOT Funds expended for event: \$ _____

How were the funds used? What types of costs were covered?

How many years have you held this Event or Project? _____

Organization Information

Name of Organization: _____

Address: _____

City, State, Zip: _____

Contact Name: _____ Contact Phone Number: _____

Web-site address for event or organization _____

Event Funding Information

1. What was the total cost of the event? \$ _____

2. How much revenue came in from the event? \$ _____

3. Did the event charge admission? YES NO

4. If the event charged admission, what is the breakdown of the varying admission cost for the event, and how many admitted in each variation?

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

Cost \$ _____ Type of admission _____ Total number of sales _____

5. Was there a net profit from the event? YES NO

To be calculated as Total sales/income – total event/project expenses = PROFIT).

6. If there was a net profit, what was the amount and how is it being used?

Net Profit \$ _____

Dollar amount channeled into next year's event, must be at least 25% of profits _____

How will the remaining net profit be used?

7. Actual percentage of funded event costs covered by hotel occupancy tax: _____

8. Actual percentage of facility costs covered by hotel occupancy tax (if applicable): _____

9. Actual percentage of staff costs covered by hotel occupancy tax (if applicable): _____

10. If staff costs were covered, estimate of actual hours staff spent on funded event:

Total number of Staff _____

Total number of hours put toward tourism _____

Event Attendance Information (If applicable)

1. How many people did you predict would attend this event? (number submitted in application):

2. What would you estimate as the actual attendance at the event? _____

3. How many room nights were generated at Sealy hotels by attendees of this event (not including artist or performers)?

Total Room nights generated _____ X \$150.00 per night = HOT Funds
generated \$ _____

What hotels/motels were the room nights generated by event attendees (not artist/performers)?

4. How many nights did event attendees stay? _____

5. What method did you use to determine the number of people who booked rooms at Sealy hotels (e.g.; room block usage information, survey of hoteliers, attendee survey, etc.)?

6. Was a room block established for this Event at an area hotel (hotels), and if so, did the room block fill? _____

7. If the room block did not fill, how many rooms were picked up? _____

8. Did you negotiate a special rate or hotel/event package to attract overnight stays?

YES NO

9. If this Event has been funded by hotel occupancy tax in the last three years, how many room nights were generated at Sealy hotels by attendees of this Event or Project?

Last Year _____

Two Years Ago _____

Three Years Ago _____

Event Promotion Information

1. Please document all efforts your organization actually used to promote this Event by indicating how much was actually spent in each media outlet:

Newspaper: \$ _____

Radio: \$ _____

TV: \$ _____

Other Paid Advertising: \$ _____

Number of Press Releases _____

Number Direct Mailings to out-of-town recipients _____

Other Promotions _____

2. Did you include a link to the Convention and Visitor’s Bureau or other source on your promotional handouts and in your website for booking hotel nights during this event? _____
3. What new marketing initiatives did you utilize to promote hotel and convention activity for this Event?

Additional Event Information

1. Did your event require vendors to turn in a tax identification number? YES NO
2. Did the Vendors who participated in the event collect sales tax? YES NO
3. What Sealy businesses did you utilize for food, supplies, materials, printing, etc.?

Sporting Related Events

1. If the Event funded by hotel occupancy tax was a sporting-related function/facility, how many individuals actually participated in this event? _____
2. If the event was a sporting-related function/facility, how many of the participants were from another city or county? _____
3. Attach data collected from the sports event criteria: a count of the registered players from out of town, and cities they traveled from.
4. If the event was a sporting-related function/facility, quantify how the activity substantially increased economic activity at hotels within the city or its vicinity?

