

M2018-110

**Proposed language of agreement between City of MB and MB Area
Chamber of Commerce re: Accommodations Tax**

Agreement between the City of Myrtle Beach and the Myrtle Beach Area Chamber of Commerce ("COC") Regarding Reporting and Effective Use of the Allocated of Accommodations Tax Revenues as provided for in the South Carolina Code of Laws, in Title 6, Chapter 4.

WHEREAS, the Accommodations Tax funds received by the City of Myrtle Beach under SC Code Title 6, Chapter 4 must be allocated in the following manner:

- (1) The first twenty-five thousand dollars must be allocated to the general fund of the City and is exempt from all other requirements of this chapter.
- (2) Five percent of the balance must be allocated to the general fund of the City and is exempt from all other requirements of this chapter.
- (3) Thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity.

WHEREAS, to manage and direct the expenditure of the thirty percent of the balance fund, the City shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program to manage and direct the expenditure of those funds, or if such an organization does not exist, the City shall create one.

WHEREAS, to be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the City that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program, if created.

WHEREAS, South Carolina budget proviso number 109.11 of the 2018-19 state budget (as proposed for adoption) allows for one-half of the total of the thirty percent fund to be set aside and used by the City for direct policing purposes related to tourism, thereby reducing the portion of the fund allocated and governed hereunder.

WHEREAS, upon allocation to the special fund, the City shall distribute the tourism promotion funds to the organizations selected or created to receive them.

WHEREAS, the effectiveness of the tourism promotion program shall be determined by the City Council.

NOW THEREFORE, the Parties agree as follows:

Before the beginning of each fiscal year, the COC shall submit for approval a detailed budget of planned advertising and promotion expenditures to develop and increase tourist attendance through the generation of publicity.

That budget shall be the product of prior cooperative meetings between the parties to establish what shall be the effective use of said funds. The determination of effectiveness shall be within the City's legislative discretion expressed through majority vote on acceptance of the budget.

The budget shall reflect the consent of the City in actions that further the advertising and promotion of tourism and events to develop and increase tourist attendance through the generation of publicity for tourism within the City limits. The funds shall not be used for advertising or promotion of events outside the City limits.

The funds shall be accounted for in a separate fund according to Generally Accepted Accounting Principles ("GAAP") for governmental and non-profit reporting entities. They may not be commingled with any other funds. The budget shall be a public document available from the City and the organization, and shall be available on the media platforms of both parties.

Records with respect to this fund are to be maintained in such a manner that the names of payees and the purpose of each payment are readily available to and can be easily discerned by the public. To that end, the COC shall provide the following reports to the City and the reports shall be made available on the media platforms of both parties:

1. Special purpose reports

- (a) Quarterly updates on expenditures to accomplish budgetary objectives shall be provided to the City. Upon the City's receipt, the update shall be a public document and shall be available from the City and the organization on the media platforms of both parties. The updates shall include, at a minimum,
 - (1) A narrative report on the results of the approved advertising and promotional expenditures of the fund indicating progress toward objectives;
 - (2) A budget vs. actual report of the organization's accommodations tax tourism promotion fund showing the budgeted expenditures by line-item along with expenditures for the period, expenditures for the year-to-date, and variances;
 - (3) A detailed expense ledger report showing itemized expenditures with vendor name and check number, grouped by line-item in a format similar to Exhibit A attached hereto.
- (b) At the end of each fiscal year, the COC shall render an accounting of the expenditures to the City in public session. The presentation of the accounting shall be a public document available from the City and the COC, and shall be available on the media platforms of the parties.

2. General purpose reports

In addition to the special purpose reports described above, the COC shall render certain general purpose financial reports at the end of the fiscal year as follows.

- a) an accounting of the expenditures and program results presented to the City in public session. Upon the City's receipt of the report, the presentation of the accounting shall be a public document available from the City, and the organization, and shall be available on the media platforms of the parties.

b) an annual independent audit performed according to Generally Accepted Government Auditing Standards ("GAGAS"), shall be performed on the organization's use of the funds, and the results shall be provided to the City and made available on the media platforms of both parties. The report, which shall include the auditor's opinion letter, may be incorporated into the organization's Comprehensive Annual Financial Report ("CAFR"), provided that it presents, by fund type, a full set of financial statements for the accommodations tax tourism promotion fund consisting of

- a Balance Sheet, and
- a Statement of Revenues, Expenditures, and Changes in Fund Balances.

In addition to the audits and financial reviews conducted by the COC, the City may at any point inspect, or cause to be inspected, any or all of the records pertaining to these funds.

City of Myrtle Beach, SC
DATE 6/15/18
TIME 10:04:44

FINANCIAL MANAGEMENT
EXPENSE LEDGER - DETAIL LISTING

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GL1440
DFARRELL

PROJECT #	G/L DATE	JOURNAL TYPE	SOURCE	TRANSACTION DESCRIPTION	BUDGET	ENCUMBRANCE	EXPENSES
=====							
G/L ACCOUNT NUMBER: 10-20-20-200-458.00				DESCRIPTION: JANITORIAL			
G/L ACCOUNT NUMBER: 10-20-20-210-458.00				DESCRIPTION: JANITORIAL			
	4/30/2018	1806938 AP	AcctsPaybl	BEGINNING BALANCE	.00	.00	10,197.00
Vendor#..	18765 GQ CLEANIN	Invoice#:	XXX2018003303	Check#..: 300021			515.00
	1806938 AP	AcctsPaybl	manual checks april 2018				
Vendor#..	18765 GQ CLEANIN	Invoice#:	XXX2018003303	Check#..: 300021			51.50
	1806938 AP	AcctsPaybl	manual checks april 2018				
Vendor#..	18765 GQ CLEANIN	Invoice#:	2240	Check#..: 300696			515.00
	1806938 AP	AcctsPaybl	manual checks april 2018				
Vendor#..	18765 GQ CLEANIN	Invoice#:	2240	Check#..: 300696			51.50
MONTH TOTAL: APRIL 2018					.00	.00	1,133.00
Account/SubAccount TOTAL . : JANITORIAL					.00	.00	11,330.00
Sub-Depart TOTAL : MBHA					.00	.00	11,330.00
Department TOTAL : PLANDEPT					7,916.66	.00	18,715.55
G/L ACCOUNT NUMBER: 10-20-24-245-458.00				DESCRIPTION: JANITORIAL			
	4/01/2018	1707853 BO	AcctsPaybl	BEGINNING BALANCE	59,999.99-	.00	44,902.49
	4/04/2018	1806156 AP	AcctsPaybl	Original Adopted Budget	6,666.67		
Vendor#..	10064 COASTAL CO	Invoice#:	123615	Check#..: 299533			35.56
	1806156 AP	AcctsPaybl	COASTAL CO MATERIALS				
Vendor#..	008546 ATLANTIC P	Invoice#:	39431	Check#..: 299494			683.62
	1806156 AP	AcctsPaybl	ATLANTIC P REPAIRS				
Vendor#..	008546 ATLANTIC P	Invoice#:	39515	Check#..: 299494			149.25
	1806335 AP	AcctsPaybl	ATLANTIC P REPAIRS				
Vendor#..	008550 LOWES HOME	Invoice#:	32718	Check#..: 299865			332.94
	1806335 AP	AcctsPaybl	LOWES HOME SUPPLIES				
Vendor#..	15340 GRAINGER	Invoice#:	9747469741	Check#..: 299821			311.76
	1806335 AP	AcctsPaybl	GRAINGER parts				
Vendor#..	15340 GRAINGER	Invoice#:	9747506484	Check#..: 299821			180.94
	1806435 AP	AcctsPaybl	GRAINGER parts				
Vendor#..	013150 SOUTH CARO	Invoice#:	XXX2018003014	Check#..: 300052			22.04
	1806502 AP	AcctsPaybl	SOUTH CARO sales tax				
Vendor#..	31329 CHEMSEARCH	Invoice#:	3083935	Check#..: 300090			1,401.03
	1806640 AP	AcctsPaybl	CHEMSEARCH MATERIALS FOR				
Vendor#..	24799 SW CLEANIN	Invoice#:	1142	Check#..: 300652			4,801.07
			SW CLEANIN portable restr				
MONTH TOTAL: APRIL 2018					6,666.67	.00	7,918.21
Account/SubAccount TOTAL . : JANITORIAL					66,666.66	.00	52,820.70
Sub-Depart TOTAL : BLDNG DIV					66,666.66	.00	52,820.70
Department TOTAL : CONSERDEPT					66,666.66	.00	52,820.70
Division TOTAL : COMM ECONO					74,583.32	.00	71,536.25