



GUIDELINES FOR ACCOMMODATIONS TAX (ATAX) 30% SPECIAL FUND FY 2026-2027 (July 1, 2026– June 30, 2027)

The State Accommodations Tax (A-Tax) is a mandatory 2% charge on transient accommodations. Under state law, the 30% Special Fund is a "Promotion Fund" mandated for the **exclusive use** of advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. These funds are separate from the 65% "Tourism-Related" funds and carry stricter eligibility and spending requirements.

ATAX GRANT PROCESS

To be considered for funding, an application must be submitted via email or mail to the City of Cayce by the published deadline. Once all applications are received and eligibility is verified, they are forwarded to the A-Tax Committee for review. The Committee then submits its funding recommendations to the City Council. While the City Council makes all final funding decisions, it relies heavily on the Committee's recommendations. Funding for all organizations and projects is entirely dependent upon the A-Tax funds received by the City of Cayce.

LEGAL USE OF FUNDS

The law states these funds must be used **only** for advertising and promotion. To comply with the "Tourism Expenditure Review Committee" (TERC) guidelines, the City of Cayce prioritizes:

- **Target Radius:** Publicity must be directed at attracting non-residents who travel from **outside the local community** (generally defined as 50 miles or more).
- **Publicity Generation:** Expenditures must focus on media that "generates publicity," such as regional TV, radio, digital marketing, and print media.

ORGANIZATION ELIGIBILITY REQUIREMENTS

Per Section 6-4-10(3), to be eligible for these funds, an organization must:

1. **Non-Profit Status:** Be organized as a non-profit organization.
2. **Existing Program:** Demonstrate an existing, ongoing tourist promotion program or the immediate capacity to develop an effective one.
3. **Nature of Agency:** Ideally be a chamber of commerce, visitor and convention bureau, or regional tourism commission.

PROHIBITED EXPENDITURES (30% FUND RESTRICTIONS)

Because this fund is legally restricted to *promotion*, the following items commonly funded by the 65% category are **ineligible** here:

- **Infrastructure/Services:** Construction, maintenance, or municipal services (police/fire).
- **Event Operations:** Rentals, security, sanitation, or internal programs.
- **On-Site Materials:** T-shirts, banners, directional signage, or programs handed out *at* the event.

APPLICATION COMPONENTS

The FY2026–2027 Accommodations Tax (A-Tax) 30% special fund application must be submitted electronically or hand delivered to the contact listed on the applications checklist page. Late or incomplete applications will **not** be considered.

All fields must be completed responses such as "N/A" or "See Attached" are **not acceptable**. Incomplete applications will not be reviewed by the A-Tax Committee. Please be concise and specific in your responses.

A complete application includes:

1. **Completed and signed application form** (available on the Grant Page)
2. **Completed 30 Percent (NONPROFIT DMO) Budget Form** (included as an attachment)
3. **Required documentation:**
 - IRS 501(c)(3) determination letter
 - Proof of registration with the SC Secretary of State
 - Most recent **full 990 tax return** (include schedules and attachments); if you file a 990 postcard, also submit a full financial report
 - Current list of board of directors
 - Cayce business license or business license assessment survey form

Your application should include the following detailed sections:

- **Marketing Plan:** Provide a clear summary of the Marketing Plan that lists specific media outlets, their geographic reach, and how they target individuals at least 50 miles away from Cayce.
- **Budget Form of Planned Expenditures (Attached)**
- **Budget Narrative:** Give a detailed explanation of the budget project expenditures.

AWARD NOTIFICATION

The Grant Manager will notify all applicant organizations of the funding outcome in writing.

FUNDING DISTRIBUTIONS

Funding/Awards will be distributed on a quarterly basis.

ACCOUNTABILITY & REPORTING REQUIREMENTS

Recipients of the 30% fund are subject to strict state oversight:

- **Budget Approval:** A budget of planned expenditures must be submitted and approved *before* the beginning of the fiscal year.
- **Accounting:** At the end of the fiscal year, the organization must render a full accounting of all expenditures to the City.
- **Recoupment Provision:** Any funds spent in non-compliance with § 6-4-10 must be returned to the City, and future distributions may be withheld by the State Treasurer.

Freedom of Information Act NOTICE

Please be advised that all materials submitted for A-Tax grant funding are subject to disclosure based on the Freedom of Information Act (FOIA).

CONTACT

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