

**City of Lewisville**  
**Hotel Occupancy Fund Request**  
**Policies and Procedures**

**Statement of Objective**

The City of Lewisville provides annual funding to Arts organizations from the Hotel Occupancy Tax fund as specified in the Hotel Occupancy Tax Law **Subchapter B. Use and Allocation of Revenue 351.101 (a) (4)**. The primary objective of the City of Lewisville is to develop a viable means of disbursement of Hotel Occupancy Tax Fund monies for the purpose of encouragement, promotion, improvement and application of the arts.

**Funding Restrictions**

The State of Texas imposes a legal cap of 15% of receipts from the local Hotel Occupancy Tax that may be allocated and used for the promotion and development of the arts.

**Organization Eligibility**

An Arts organization meeting all six criteria listed below is eligible to apply for funding from the City of Lewisville Hotel Occupancy Tax Fund:

1. Non Profit, 501 ( c ) (3), tax exempt arts organizations; and
2. Must have a minimum of two year history of providing arts programs to citizens of Lewisville, as measured from the date of application; and
3. Proposing a program/event/exhibition to take place within the city limits of the City of Lewisville. Events may be held outside of the city limits of Lewisville with approval of the City Council; and
4. Must have successfully fulfilled all prior contractual obligations to City of Lewisville; and
5. Must have local (Lewisville resident) representation on Board of Directors; and
6. A representative of the Organization must have attended the pre-application training session to be scheduled annually.

**Criteria**

Applications shall be reviewed and evaluated by the Arts Advisory Board and the Lewisville City Council to determine if the following criteria are being met:

1. Impact of the program on Tourism
2. Benefit of the program to the community.

3. Opportunity for Lewisville citizens to participate in the program.
4. The capability of the organization to manage and produce the proposed program; and
5. Validity of proposed budget as indicated by past financial performance; and
6. The artistic merit and quality of the proposed program.

## **Applications**

1. Applications must address at least one eligible activity, per Subchapter B. Use and Allocation of Revenue 351.101. (a)(4) (Section VI). If an applicant is not sure of an activity's eligibility, the Arts Advisory Board or City staff will be available for consultation.
2. Applications must include a detailed description of an organization's qualifications for managing the proposed program funds. There must be experience on the board for providing financial management of funds as required by the City of Lewisville.
3. An organization must show that preliminary commitments for leveraging funds are being obtained and that City of Lewisville Hotel Occupancy Tax Fund is not the sole source of funding for the organization.
4. Results or the success in meeting artistic and financial goals and objectives will be a key determinant when considering funding for the next Hotel Occupancy Tax funding cycle.

## **Procedures**

1. The City will make all possible effort to insure that the community is aware of the availability and purpose of the Hotel Occupancy Tax Fund program for the promotion of the arts. The City will advertise through various media sources the beginning and ending deadlines for receipt of applications for Hotel Occupancy Tax Fund requests for the promotion of the arts.
2. The Arts Advisory Board will make applications available to arts organizations interested in responding.
3. Applications will only be accepted during the period of time advertised.
4. Deadlines, policies, and procedures, priorities and other pertinent information will be included in the application packet.
5. All proposals submitted will receive a consistent review and discussion based on the criteria as stated in the Review Instrument document.

6. Application should be submitted to the Arts Advisory Board by the date designated in the annual advertisement. The Arts Advisory Board will address all questions to the contact person listed in the application packet, should the need arise.
7. The Arts Advisory Board and City staff will make a final recommendation on funding through a proposed Hotel Occupancy Tax Fund budget for promotion of the arts that will be forwarded to the City Council for consideration.
8. No application will be considered for funding after adoption of the Hotel Occupancy Tax Fund budget for promotion of the arts unless a request is initiated by the City Council.

## **Review Process**

The review process regarding funding consists of a three-phased cycle.

- Arts Advisory Board Grant Review
  - City staff review
  - City Council review, public hearing, and approval.
1. The Arts Advisory Board which is the advisory body for the City council on Arts issues, will review the proposal to determine if the following criteria and requirements are met:
    - a. If the organization has non-profit 501 ( c ) ( 3 ) status;
    - b. The proposed program addresses an eligible Hotel Occupancy Tax Fund activity;
    - c. The proposed program meets the Objectives for the City of Lewisville for the Arts Organizations as stated on the following page of this document;
    - d. All required documentation is included in the application; and
    - e. Determine if the proposed program has clear goals and objectives, sound financial program and program management.
  2. The Arts Advisory Board will prioritize the programs and recommend those programs that can be funded within the target number. The recommended programs will be submitted to the City staff for review. City staff will provide a report to the Arts Advisory Board on any programs that do not meet all criteria. City staff may request additional information, request a conference with the Authorized Official of the organization, or take steps to assure a fair and equitable granting process. The City staff and the Arts Advisory Board will develop and finalize the proposed Hotel Occupancy Tax Fund budget for the promotion of the arts.
  3. The final budget recommendations will be approved by the Arts Advisory Board and City staff and forwarded to the City Council for consideration at the annual budget workshop.

## **Criteria for Decision Making**

Proposals will be critiqued in the following areas: programming, management, financial and governance using the Review Instrument document contained in this packet. A copy of the Review instrument and any written comments made by the Arts Advisory Board, City staff and the Lewisville City council will be returned to each applying organization.

## **Items Which Will Not Be Funded**

- Capital purchases (real property)
- General Operating Funds
- Debt from activity in prior fiscal years
- Penalties and Interest Payments
- Sales Tax
- Expenses for Fundraising Activities
- Expenses for Social Events, Receptions, Entertainment
- Expenses for Political Action
- Scholarships
- Tips & Gratuities

## **Contact Procedures**

The City Manager's office will notify the Arts Advisory Board of funding allocations. The Arts Advisory Board will notify each recipient organization and the City will advertise availability of these funds in a local newspaper.

## **Monitoring**

The Quarterly Reporting Form shall be submitted by each recipient organization to the Arts Advisory Board and the City of Lewisville Director of Finance at the completion of each quarter. Funding for the next quarterly period will not be released to the recipient organization without the required form being first received for the ending quarter. A detailed financial statement showing actual program costs should be included.

## **Inadequate Performance or Non-compliance**

If a recipient's program is found to be non-compliant with the stated lawful use of Hotel Occupancy Tax or with the City of Lewisville Funding Agreement, funding may be withheld until compliance is achieved.

If program performance is found to be inadequate for the stated objectives and measurements, the organization may be required to submit a written explanation for the variance. Inadequate program performance may adversely affect future Hotel Occupancy Funding requests to the City. The City of Lewisville reserves the right to audit the records of any recipient at any time.

### **Statement of the Objectives of the City of Lewisville for the Arts Organizations**

It should be understood that each Arts organization will be expected to meet the following Objectives set by the City of Lewisville:

1. Attract visitors to the City of Lewisville
2. Enhance the image of the City of Lewisville
3. Promote cultural opportunities that are inclusive of all members of our community and celebrate Lewisville's diversity.
4. Contribute to a quality of life in Lewisville that is attractive to residents, visitors, and businesses.
5. Increase Lewisville residents' involvement with the arts.
6. Encourage opportunities for Lewisville community gatherings.
7. Additional consideration for activities that make use of facilities at the city-operated Medical Center of Lewisville Grand Theater.