Reporting 2015 Lodging Tax Expenditures

Who must report?

All entities receiving lodging tax funds during 2015 must provide information to their respective local government on their use of these funds as required by RCW 67.28.1816. This includes local governments that directly use lodging tax funds for municipal purposes, such as municipal facilities or community events. Local governments will then report this information to JLARC through JLARC's online lodging tax reporting system.

Creating an Account

The 2015 Lodging Tax Expenditure Reporting system is operated through Microsoft SharePoint. All users reporting lodging tax expenditures must create a Microsoft account using their work email as the username to access the SharePoint system. JLARC will send an email to individuals responsible for reporting lodging tax expenditures with instructions for creating a Microsoft account with users' official work email address. Once users follow the provided instructions and create a Microsoft account, they must email JLARC at JLARClodgingtax@leg.wa.gov with the subject line "Lodging Tax SharePoint Invitation Request." A JLARC analyst will invite the user to join the SharePoint.

SharePoint invitations are sent via email and will expire in 7 days. Users must sign into the SharePoint using the Microsoft account they created for this purpose. Make sure you have signed out of all Microsoft accounts on your browser before accepting the invitation, otherwise you may automatically be logged in with an incorrect account.

Contact JLARClodgingtax@leg.wa.gov or Suzanna Pratt (360) 786- 5106 if you have any questions or problems logging in.

Data Entry

Once users establish a Microsoft account and accept the emailed SharePoint invitation, they may begin entering 2015 data for specific lodging tax recipients at any time. To avoid last-minute problems, we encourage users to enter data as it becomes available rather than waiting until after December 31, 2015. The data entry form is n a different format than it was in 2014 due to the change in hosting platforms, but the data required is the same.
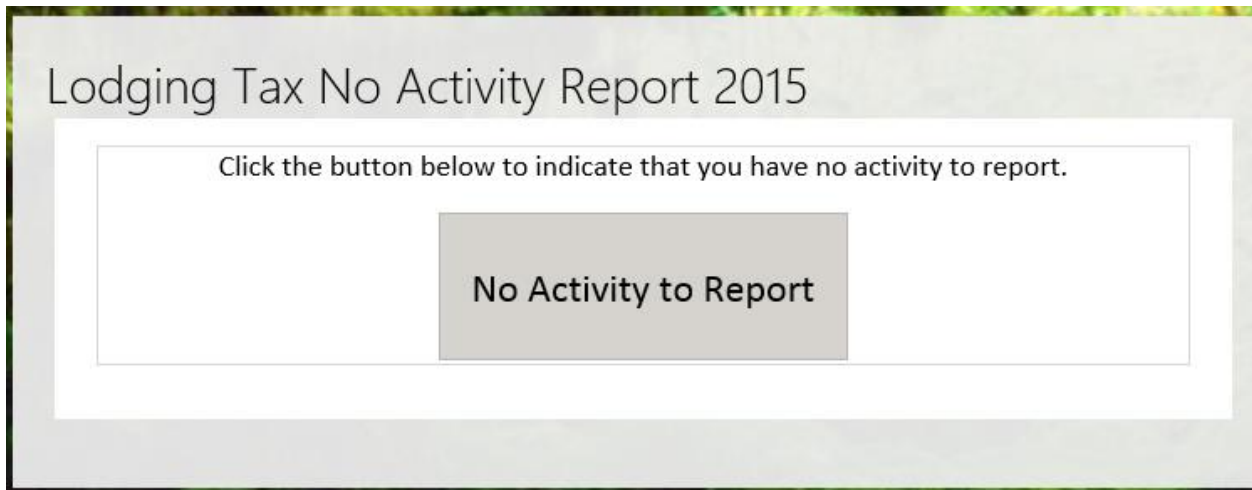
The Lodging Tax Reports homepage on the SharePoint system is pictued below.
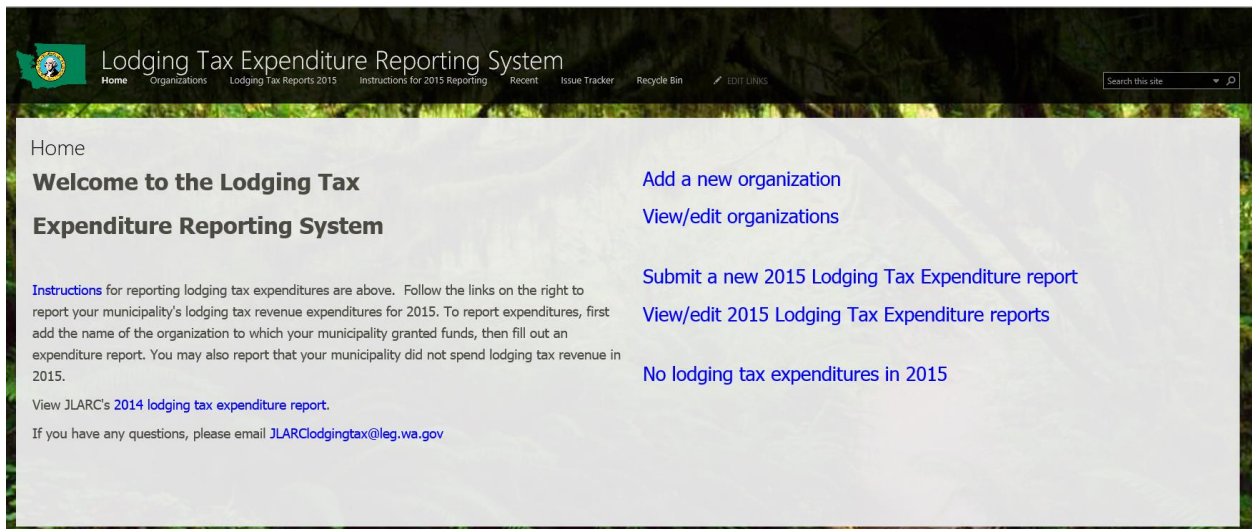
If You Have No 2015 Expenditures

If your municipality did not spend any lodging tax revenue in 2015, click the "No lodging tax expenditures in 2015" link.

You will be brought to this screen:

Click the gray "No Activity to Report" button. You have successfully reported that you had no lodging tax expenditures in 2015 and are in compliance with state law.

If your municipality did spend lodging tax revenue in 2015, follow the steps in the next section.

Adding Organizations

To report lodging tax expenditures, you must first add the organization to which funds were distributed. One the Lodging Tax Reports homepage on the SharePoint system, follow the "Add a new organization" link. You will be brought to this screen:

Name of Organization | [   ]

Save   Cancel

Type in the name of the organization which received lodging tax funds (for example: "Downtown South Bend", "Springfield Historical Society", "Happy Valley Sports Association", etc.). Click save. You may enter as many organizations to the SharePoint system as you with. To view and edit the names of the organizations, click the "View/edit organizations" link on the Lodging Tax Reports homepage. You may add additional organizations at any time during the reporting period, but the organization must be added prior to entering a Lodging Tax Expenditure Report.

To fill out a Lodging Tax Expenditure Report, see the instructions below.

Filling out a Lodging Tax Expenditure report

To fill out a lodging tax expenditure report, click the "Submit a new 2015 Lodging Tax Expenditure Report" link in the Lodging Tax Reports home page. You will be brought to this page:

Lodging Tax Expenditure Report

Organization:	▼
Activity Name:	
Activity Type:	Event/Festival ▼
Start Date:	📅
End Date:	📅
Funds Requested:	
Funds Awarded:	
Total Activity Cost:	

Attendance Information

Overall Attendance
Enter the total number of people predicted to attend this activity, the actual number of people who attended this activity, and select the method used to determine the attendance.

Predicted:	
Actual (Estimated):	
Method:	Direct Count ▼
Please explain:	

Attendance, 50+ miles *Enter the number of people who travelled greater than 50 miles predicted to attend this activity, the actual number of people who travelled greater than 50 miles to attend this activity, and select the method used to determine the attendance.*	Predicted:	
	Actual (Estimated):	
	Method:	Direct Count ⌄
	Please explain:	
Attendance, Out of State, Out of Country *Enter the number of people from outside the state and county predicted to attend this activity, the actual number of people from outside the state and county who attended this activity, and select the method used to determine the attendance.*	Predicted:	
	Actual (Estimated):	
	Method:	Direct Count ⌄
	Please explain:	
Attendance, Paid for Overnight Lodging *Enter the number of predicted to attend this activity and pay for overnight lodging, the actual number of people who attended this activity and paid for overnight lodging, and select the method used to determine the attendance.*	Predicted:	
	Actual (Estimated):	
	Method:	Direct Count ⌄
	Please explain:	
Attendance, Did Not Pay for Overnight Lodging *Enter the number of predicted to attend this activity without paying for overnight lodging, the actual number of people who attended this activity without paying for overnight lodging, and select the method used to determine the attendance.*	Predicted:	
	Actual (Estimated):	
	Method:	Direct Count ⌄
	Please explain:	
Paid Lodging nights *Total projected and estimated actual number of paid lodging nights. One Lodging night = one or more persons occupying one room for one night.*	Predicted:	
	Actual (Estimated):	
	Method:	Direct Count ⌄
	Please Explain:	
Notes *Please enter any additional information about this use of lodging tax funds.*		

Submit

Enter information in each of the data fields and click "Submit" when you have finished. You must fill out an expenditure report for each lodging tax expenditure. If an organization requested funds for multiple activities, fill out an expenditure report for each activity. Submitted reports can be viewed an edited by clicking the "View/edit 2015 Lodging Tax Expenditure Reports" found on the Lodging Tax Reports home page. Instructions for each data field are below.

Organization: Select the name of the organization which requested and used lodging tax funds from the drop down menu. The menu is composed of the names of organizations that you have added to the SharePoint. If you do not see the name of the organization, return to the homepage and follow the "Click HERE to enter a new Organization" link.

Activity Type: select the type of activity funded by lodging tax funds from the dropdown menu. "Event/Festival" encompasses specific activities such as fairs, festivals, celebrations, etc. "Marketing" encompasses activities which advertise the municipality or town (if lodging tax funds were used to advertise for a specific event/festival, this expenditure falls under the "Event/Festival" category. "Facility" encompasses activities related to facility acquisition, upkeep, renovation, etc.

Activity Start Date: Use the calendar to select the date the activity began.

Activity End Date: Use the calendar to select the date the activity ended.

Funds Requested by the Organization: Enter the amount of lodging tax funds requested by the organization.

Funds Awarded to Organization: Enter the amount of lodging tax funds ultimately awarded to the organization.

Total Activity Cost: Enter the total cost of the activity.

Overall Attendance, Predicted: Enter the total number of people predicted to attend the activity. When requesting funds, organizations should provide an estimate of the predicted attendance and a method for determining the actual attendance. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Overall Attendance, Actual (Estimated): Enter the total number of people who attended the activity. Organizations using lodging tax funds should quantify the number of attendees. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.. See page 10 for additional information on estimating attendance.

Overall Attendance, Method: Select the method used to determine the overall attendance from the dropdown menu. Definitions for the methods are provided on page 10.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, raffle tickets sold, etc.).

Attendance, 50+ Miles, Predicted: Enter the number of people predicted to travel a distance of over 50 miles to attend the activity. When requesting funds, organizations should provide an estimate of figure and a method for determining it. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, 50+ Miles, Actual (Estimated): Enter the total number of people who traveled more than 50 miles to attend the activity. Organizations using lodging tax funds should quantify this figure. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, 50+ Miles Method: Select the method used to determine the number of people who traveled more than 50 miles to attend the activity from the dropdown menu.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, informal survey, etc.). Definitions for the methods are provided on page 10.

Attendance, Out of State/Out of Country, Predicted: Enter the number of people predicted to travel from out of the state or country to attend the activity. When requesting funds, organizations should provide an estimate of figure and a method for determining it. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Out of State/Out of Country, Actual (Estimated): Enter the total number of people who traveled from out of the state or country to attend the activity. Organizations using lodging tax funds should quantify this figure. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Out of State/Out of Country, Method: Select the method used to determine the number of people who traveled from out of the state or country to attend the activity from the dropdown menu. Definitions for the methods are provided on page 10.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, raffle tickets sold, etc.).

Attendance, Paid for Overnight Lodging, Predicted: Enter the number of people predicted to pay for overnight lodging while attending the activity. When requesting funds, organizations should provide an estimate of figure and a method for determining it. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Paid for Overnight Lodging, Actual (Estimated): Enter the total number of people who paid for overnight lodging while attending the activity. Organizations using lodging tax funds should quantify this figure. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Paid for Overnight Lodging, Method: Select the method used to determine the number of people who paid for overnight lodging while attending the activity from the dropdown menu. Definitions for the methods are provided on page 10.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, hotel room reservations, etc.).

Attendance, Did Not Pay for Overnight Lodging, Predicted: Enter the number of people predicted to attend the activity without paying for overnight lodging. When requesting funds, organizations should provide an estimate of figure and a method for determining it. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Did Not Pay for Overnight Lodging, Actual (Estimated): Enter the total number of people who attended the activity without paying for overnight lodging. Organizations using lodging tax funds should quantify this figure. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Attendance, Did Not Pay for Overnight Lodging, Method: Select the method used to determine the number of people who attended the activity without paying for overnight lodging from the dropdown menu. Definitions for the methods are provided on page 10.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, hotel room reservations, etc.).

Paid Lodging Nights, Predicted: Enter the number of predicted lodging nights associated with this activity. A lodging night is one or more persons occupying a room for a single night. When requesting funds, organizations should provide an estimate of figure and a method for determining it. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Paid Lodging Nights, Actual (Estimated): Enter the total number of lodging nights associated with this activity. A lodging night is one or more persons occupying a room for a single night. Organizations using lodging tax funds should quantify this figure. If lodging tax funds were used for an activity not expected to generate measurable attendance (such as a general marketing campaign or an expenditure related to facility upkeep), leave the field blank and use the Notes section to explain.

Paid Lodging Nights, Method: Select the method used to determine the number of lodging nights associated with this activity from the dropdown menu. Definitions for the methods are provided on page 10.

Please Explain: Enter notes about the specific type of method used to determine the attendance count (such as vehicle counts, hotel room reservations, etc.).

Notes: Enter any additional relevant information about the use of lodging tax funds for this activity.

Please see the FAQ/Glossary section below or contact Suzanna Pratt (360) 786-5106 if you have any questions about the data entry fields.

Technical Assistance

JLARC's online lodging tax reporting system includes many on-screen prompts and answers many FAQs. If you need additional assistance:

- Logging in, entering/editing data: For basic questions on how to use the system, please send an e-mail to JLARC at JLARClodgingtax@leg.wa.gov with the subject header "Lodging tax system question"
- Estimating attendance/entering "actual" attendance and traveler information: Local governments should work with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) to identify resources to assist lodging tax recipients with determining attendance.

FAQ/Glossary

How do I report that my municipality did not use any lodging tax funds during 2014?

When you create an account and have confirmed your email address, the first page of the reporting system asks if your municipality expended lodging tax funds during the reporting year. If neither the municipality nor any other entity (recipients) expended/used the lodging taxes distributed to the municipality by the Department of Revenue, you may select an Annual Reporting Status of "No" and your reporting will be complete. Selecting "Yes" will begin the process for entering information received from lodging tax recipients.

What happens if I don't confirm an Annual Reporting Status of "No" but still didn't have any lodging tax expenditures?

If users do not select "No" for their Annual Reporting Status, the reporting system will not record the submission of a lodging tax report and therefore the municipality will not be in compliance with state law.

If I originally selected "no" but learn later that my municipality used or expended lodging tax funds, how do I report those expenditures?

If you originally reported that your municipality had no lodging tax expenditures in 2015, you may change that designation by simply adding an organization and its activities. Those actions will override the no expenditure report and allow information you reported to be displayed. This option is available at any time prior to March 15, 2016.

What is the difference between an event and an activity?

For lodging tax reporting purposes, users may choose from three types of activities for reporting lodging tax expenditure: event/festival, marketing, and facility. An "event" takes place over a short period of time with fixed beginning and ending dates. Examples of an event/festival activity include community festivals and celebrations, sporting competitions, and concerts. Marketing and facility activities are ongoing throughout the year or an extended season. Examples of marketing activities are tourism marketing and promotion. Examples of facility activities are building acquisition, renovation, and general upkeep and maintenance.

What if an entity is asking for lodging tax funds specifically to advertise an event/festival? Should the "activity type" be reported as "event/festival" or "marketing"?

> Lodging tax funds used to advertise a specific event/festival should be reported as "event/festival" since the advertising is targeted for a particular event/festival rather than marketing for the area in general.

How do I define the date range for an on-going activity?

> Since all reporting is for a calendar year, the maximum dates are January 1, 2015 to December 31, 2015. The recipient will typically define the activity duration in its application for funding. If the application is unclear about the activity dates, the LTAC and /or municipal council should clarify any uncertainty during the award process.

How do I report expenditure of lodging taxes when my municipality provides funds to an organization for multiple events and on-going activities?

> The Legislature is interested in obtaining information about the use and results of lodging taxes that is accurate and practical for recipients and municipalities to report. From this perspective, a municipality has a number of options. Below are two:
>
> - If the allocation is made as a lump sum for marketing, operations, and special events, the recipient could report expenditures and results on a calendar year basis. That may be a practical approach if the recipient's application does not identify the cost and projected results for each of the three constituent activities (marketing, operations, and events).
> - A second approach would be to break out the constituent activities and report expenditures and results separately. This approach would require the recipient to track the funds spent for each constituent activity and report the resulting tourism and lodging impacts. Marketing and operations would be reported on a calendar year basis. Individual events would be reported for the period of their duration.
>
> Each option has advantages and disadvantages. The first is simple but offers no specific financial detail about the various purposes for which the funds are used or the tourism-related results. The second option has more potential to provide detail on the constituent activities but is likely to require more effort and may create opportunities for error such as double reporting or under reporting tourist information. JLARC staff are interested in obtaining the most accurate information possible but recognize that there may be some trade-off between accuracy and practicality.

How do I use the lump sum reporting option?

> The lump sum option described above applies to lodging tax funds **allocated to a single organization for more than one activity type**, such as facility operation or tourism marketing. The

lump sum option should not be used to aggregate all lodging tax allocations and their results for a single municipality. Allocations to organizations for a single activity type and the results should be reported separately for each organization.

When using the lump sum option, report the date range that encompasses all activity types performed by the recipient organization. If one of the activities performed by the funded organization is a year-long tourism marketing campaign, January 1 would be the start date and December 31 would be the end date. If the longest activity range is less than a year, report the beginning and end dates for that activity.

Since the reporting system only allows the selection of one activity type for each activity, select one of the activity types from the drop down menu and use the "Notes" section to describe the additional activity types that were funded.

How do I measure actual attendance?

Although the law uses the term "actual" attendance, in instances where obtaining an actual attendance count by attendee category is impractical, **a good faith best estimate will suffice.** JLARC expects municipalities and LTACs to request that applicants state how they will determine either actual or estimated attendance and to report those methods along with their actual or estimated attendance figures to their respective municipalities. Municipalities will, in turn, report that information to JLARC in 2016 for 2015 expenditures.

JLARC staff are not a source for technical assistance in this area; our staff do not have the expertise needed to provide such guidance. For that purpose, we recommend that municipalities work with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) to identify resources that can provide technical expertise to lodging tax recipients.

What methods have been used to determine attendance in previous years?

Direct Count: Actual count of visitors using methods such as paid admissions or registrations, clicker counts at entry points, vehicle counts or number of chairs filled. A direct count may also include information collected directly from businesses, such as hotels, restaurants or tour guides, likely to be affected by an event.

Indirect Count: Estimate based on information related to the number of visitors such as raffle tickets sold, redeemed discount certificates, brochures handed out, police requirements for crowd control or visual estimates.

Representative Survey: Information collected directly from individual visitors/participants. A representative survey is a highly structured data collection tool, based on a defined random

sample of participants, and the results can be reliably projected to the entire population attending an event and includes margin of error and confidence level.

Informal Survey: Information collected directly from individual visitors or participants in a non-random manner that is not representative of all visitors or participants. Informal survey results cannot be projected to the entire visitor population and provide a limited indicator of attendance because not all participants had an equal chance of being included in the survey.

Structured Estimate: Estimate produced by computing known information related to the event or location. For example, one jurisdiction estimated attendance by dividing the square footage of the event area by the international building code allowance for persons (3 square feet).

We developed and distributed our 2015 tourism funding evaluation form last January before the questions in the reporting system were finalized we did not collect some of the information that is now asked in the online system. Do we need to go back out to all of the 2015 events to collect the missing information?

Transparency in the use of lodging tax funds is the foundation of the reporting system. Once municipalities have finished entering data, the web-based format will allow anyone to review a municipalities' information. Any gaps in that information will be subject to interpretation by those reviewing the information.

Each municipality will have to decide individually how to address missing information. This decision may be based on an assessment of the difficulty of obtaining the missing information against the risk of reporting incomplete information. Each municipality is responsible for this decision for their own jurisdiction; JLARC cannot advise a particular course of action.