



**GUIDELINES FOR GRANT APPLICATION**  
**For Fiscal Year 2021-22**

**For Additional Information:**

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<b>Application Deadline</b>	<b>Presentation to VM Board</b>	<b>Board Vote on Awards</b>
CYCLE 1: October 4, 2021	October 26, 2021	November 23, 2021
CYCLE 2: February 1, 2022	February 22, 2022	March 22, 2022
<b>Total Grant Amount Available in FY 2021-22</b>		
<b>\$30,000:</b> \$15,000 per cycle. Any funds not awarded/dispersed during Cycle 1 may be rolled over and made available for Cycle 2.		

**VISIT MCKINNEY: Overview**

Visit McKinney (dba McKinney Convention & Visitors Bureau - “Visit McKinney”) is funded by the City of McKinney, Texas (“City”), via a portion of the local hotel occupancy tax the City collects from overnight accommodations in the city limits in accordance with Texas Tax Code § 351.101. Visit McKinney then uses its annual budget to secure avenues of advertising and promotion of McKinney tourism to areas within a 3-5 hour drive of McKinney, covering primarily Texas, Oklahoma, Louisiana and Arkansas. Visit McKinney funds are also used to attract and support meetings and events held within the City. A portion of the local hotel tax is set aside for other uses that fall within the guidelines detailed in the Texas Hotel Tax Expenditure Requirements (the above named tax code). *(Refer to accompanying document.)*

The vision and mission statements of the Visit McKinney are put into place, reviewed annually and are overseen by a City Council-appointed board of seven McKinney residents in accordance with the mission and goals of the McKinney City Council.

**VISIT MCKINNEY: Core Purpose & Mission Statement**

- **Core Purpose:** To promote McKinney in order to attract visitors and travelers.
- **Mission Statement:** To generate economic impact by influencing event planners and leisure and corporate travelers to choose McKinney as their destination.

**VISIT MCKINNEY - Goals for the Organization**

- Ensure application eligibility for VISIT MCKINNEY consideration under the Texas Hotel Tax Expenditure Requirements (Texas Tax Code § 351.101). *(Refer to accompanying document.)*
- Demonstrate informed financial planning - addressing long-term costs, budget consequences and sustainability of projects for which funding is requested.
- Identify the opportunities for internal efficiencies through recurring analyses and continuous improvement.
- Balance resources generated by the local Hotel Occupancy Tax.
- Continue to market and highlight McKinney as a special and memorable destination for residents and visitors alike.

**FUND AVAILABILITY FOR GRANTS**

**Advertising/Promotional Grants** from Visit McKinney are intended to provide financial support for initiatives, activities, and events that **promote the City of McKinney** for the purpose of attracting visitors to the City.

The State of Texas collects 13% in hotel taxes, and then passes along 7% of that to the City of McKinney. The city uses a portion of that 7% then to fund Visit McKinney which in turn means that Visit McKinney’s grants are also funded entirely by hotel taxes. In deciding on disbursement of these grant funds, Visit McKinney’s Board of Directors (“Board”) will be considering each applicant’s ability to bring verifiable hotel nights to the City of McKinney in making its decisions on disbursement of the grant funds. This ensures the regeneration of incoming hotel tax to continue funding the grants.

The Board recognizes that an event in its inaugural or second year may not have a reasonably-measurable number of hotel nights. However, if an entity applies for grant funds for a third or subsequent year, the Board may consider a standard formula used in the Texas tourism industry for measuring the amount of hotel nights ultimately needed to generate the amount of dollars to be awarded. Please refer to the calculation example below, based on the 7% in taxes collected by the city for an average room rate of \$150. (This formula would be adjusted to reflect McKinney’s average room rate at the time of awarding of the grant.)

**Calculation Example:**

A grant award may be roughly half of the amount of hotel night revenue using \$150 as the average room night. If an event has 20 rooms, the formula would be  $20 \times \$150 = \$3,000$ ; half of that amount - \$1,500 - would be awarded. Amount caps based on room counts are:

- Less than 10 rooms: \$1,000
- 11-25 rooms: \$2,500
- 25-50 rooms: \$5,000
- 51-75 rooms: \$7,000
- 76-100 rooms: \$10,000
- 101-150 rooms: \$15,000
- 151-200 room: \$17,000
- 201-300 rooms: \$20,000
- 301+ rooms: \$25,000

Again, the formula may, at the discretion of the Visit McKinney Board, be eased for first or second-time events or projects in the interest of encouraging the development of new tourist-friendly activities in McKinney.

**GRANT GUIDELINES**

- Applications must be completed in full, **providing all information requested**, to be considered by Visit McKinney Board of Directors (“Board”) before and/or by the application deadline. Applications received after the deadline will not be considered for grant eligibility for the cycle.
- Advertising & Promotional grant applications must demonstrate how the event will promote McKinney for the purpose of tourism and producing hotel activity.
- The events must be open to the public, either free or with a charge.
- Grant funds awarded **must** be used for **marketing, outreach, advertising and promotion of the event(s)**. Items ineligible/not covered by grant funds are any items that only ticketholders/attendees receive after arriving, items needed when purchasing admission to the event, or items for use at the event/project. These include:
  - ◆ Tickets, VIP, or other sponsor invitations and envelopes (these will be sent to people who would likely be attending the event anyway – family members, authors, artists, etc.);
  - ◆ T-shirts and other promotional/incentive items/gift bags provided to attendees, VIPs, etc.;
  - ◆ Stamps and other mailing expenses;
  - ◆ Programs; and
  - ◆ Reserved seating signage.
- Events must be well-planned with stated goals, objectives, and evaluation measures that demonstrate an economic impact to the City **from a tourism perspective**.
- **Preference may be given** to applicants who have **not** received funding from Visit McKinney within the previous 12-month period.
- **Preference may be given** to applicants who develop and demonstrate **multiple** revenue streams to financially support Advertising & Promotion for which grant funds are requested and who are **not applying to other City of McKinney entities** (e.g. Arts Commission, McKinney Community Development Corporation, City of McKinney Community Support Grants) for promotion of the same event.
- Performance agreements will be required for **all** approved grants.
- All approved Advertising & Promotional grants must be completed as provided in the performance agreement. All funds must be distributed by Sept. 30 of the fiscal year in which the grant was awarded unless prior consent is secured from Visit McKinney by Aug. 30 of that same fiscal year.

**APPLICATION PROCESS**

Grant applications will be considered according to the schedule below:

Application Deadline	Presentation to VM Board	Board Vote on Awards
CYCLE 1: October 4, 2021	October 26, 2021	November 23, 2021
CYCLE 2: February 1, 2022	February 22, 2022	March 22, 2022

Applications are available at [www.visitmckinney.com](http://www.visitmckinney.com) or by calling 972-547-2059 or emailing [dguerra@visitmckinney.com](mailto:dguerra@visitmckinney.com). The deadline for submission of applications will be strictly followed.

***Please call to discuss your proposed project or event prior to completing and submitting an application.***

A preliminary review of your proposal or idea, by the Visit McKinney Board, can be obtained by submitting a **Letter of Inquiry** form, available at [www.visitmckinney.com](http://www.visitmckinney.com), by calling 972-547-2059 or emailing [dguerra@visitmckinney.com](mailto:dguerra@visitmckinney.com).

**GRANT APPLICATION REVIEW PROCESS**

The Visit McKinney Board of Directors is responsible for reviewing and voting on applications for funding projects/initiatives in accordance with state law (Texas Tax Code § 351.101). The board consists of seven members, appointed by the McKinney City Council. The application review process is outlined below.

- Completed applications must be submitted to Visit McKinney via email, Dropbox or on a thumb drive in accordance with the 2021-22 grant schedule outlined above. Applications coming in after the deadline will not be considered until the following grant period. Please note the list of
- Applications may be reviewed by Visit McKinney legal counsel to determine eligibility for Visit McKinney funding under state law.
- Once eligibility for consideration is confirmed, Applicants will be notified and placed on the meeting agenda to make a presentation to the Board. Following the presentation, Board members will have an opportunity to ask questions of the applicant. *Please note: This is a formal presentation and time limits will be imposed.*

*(Continued on the next page)*

**REVIEW PROCESS** *(continued)*

- A public hearing, with notice of the application and request for project funding will be published and posted in accordance with the requirements of the Texas Open Meetings Act. **The application along with all supporting documents, attachments and exhibits may constitute public information subject to disclosure under the Texas Public Information Act.**
- Board members will evaluate applications and presentations and prepare to take action on the request at a future VISIT MCKINNEY board meeting. Please refer to the 2021-22 Grants Calendar for the schedule.
- Applications may be referred to a board subcommittee for additional research and evaluation.
- Board action will generally be scheduled for the following month’s Board meeting. However, this schedule may be delayed if the Board determines additional research and/or discussion is warranted. When action is taken, the Board may approve, table, or reject an application, by a majority Board vote.
- Funds awarded for approved applications are provided on a reimbursement basis, after the event takes place, and after all receipts and proof of advertisement/promotion (screenshots for digital ads, tear sheets for print, copies of posters, promotional rack cards, etc.) and a final report of the Advertising & Promotional Grant have been submitted to Visit McKinney and approved in its sole discretion. To aid in this approval process, receipts should be collated and attached to proof of advertising, and itemized on a **Grant Expense Summary Sheet** created by the applicant. Please place this summary sheet on top of the final grant report when requesting reimbursement.
- Because this is a promotional grant, the event for which an application is being submitted must take place **no sooner than five to six months after the grant award is announced** to allow adequate time for promotion of the event. All promotional materials for the event (i.e. signage, advertisements, website, and collateral materials) **must include the Visit McKinney grant logo** to indicate this organization’s financial support. *The list of ineligible items can be found on page 4 of this document.*

**Please contact Visit McKinney staff to discuss your Advertising & Promotional Grant usage ideas, secure additional information, and answer your questions prior to submitting your grant application to confirm that your proposed project or event meets the Visit McKinney grant requirements.**

*Please note: Visit McKinney funds will not become available to an approved applicant until 30 days after all verified receipts have been submitted, verified, and approved by Visit McKinney.*

## **EVALUATION OF APPLICATION**

Visit McKinney Board members will consider the following information when evaluating applications:

- Whether the application was completed in full and submitted by the deadline;
- Availability of FY 21-22 grant funds;
- Eligibility under law (refer to State of Texas Requirements for Hotel Tax Usage on page 10);
- Applicant’s funding history;
- Alignment with Visit McKinney’s mission and strategic priorities;
- Alignment with City of McKinney strategic priorities;
- Evidence of private or public financial support in addition to grant request submitted to Visit McKinney;
- Potential of applicant to achieve project/event goals;
- Whether the project/event demonstrates positive economic impact on McKinney tourism by producing hotel nights;
- Potential for significant return on investment; and
- Applicant’s sustainability – healthy finances, sound business plan, strong mission and programs, proven results and stable staff and leadership.

## **GRANTEE RESPONSIBILITIES**

- Each approved project/event will require the execution of a performance agreement with Visit McKinney. The agreement ensures grantee’s acknowledgement of all grant requirements and that funds will only be expended in accordance with the conditions outlined in the performance agreement. The performance agreement also provides recourse to Visit McKinney in the event of default by grantee.

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**GRANTEE RESPONSIBILITIES** *(continued from previous page)*

- Funds for approved grants will be expended on a reimbursement basis. Copies of verified paid invoices/receipts **with tear sheets from all print publications and screen shots of all digital ad placements**, along with a formal letter requesting reimbursement, must be provided to Visit McKinney to ensure compliance with state statutes and the terms of the performance agreement. Once verified and approved, Visit McKinney will process the request for payment within 30 days.
- Grantee must maintain financial books and records of the funded event and of their operations as a whole for at least two years after the conclusion of the event or project should Visit McKinney or the City require an audit. The books and records must be made available upon request, and create a clear audit trail documenting revenues and expenses of the funded event/project.
- Grantee will be required to provide written quarterly reports on the status of the event or project to Visit McKinney upon request.
- Within 30 days of the completion of the funded event or project, each grantee is required to submit a final report that includes detailed information on the performance of the event or project promotion and advertising; information on the performance of the event against the metrics established in the grant application; visual representation (photos, printed promotions, and collateral, etc.) which documents that all requirements of the performance agreement were fulfilled; and any outstanding receipts for expenditures incurred under the scope of the grant.
- Reimbursement will not automatically be made for the full amount of the awarded grant funds unless the reimbursement report and submitted receipts match this total. (The total amount of receipts submitted should also match the final report.) All reimbursements must be distributed by Sept. 30 of the fiscal year in which they were awarded unless other arrangements have been made with Visit McKinney prior to Aug. 30 of that same fiscal year.
- An oral presentation to the Board, on the completed event or project, may also be requested in the Board's sole discretion.
- Each grantee must recognize Visit McKinney as a sponsor/funder of the event or project in all advertising, marketing, publicity and promotional vehicles, using the following (or substantially similar) verbiage: ***"This (Event) is funded in part by Visit McKinney."***
- Visit McKinney will provide camera-ready logo art for placement on promotional and publicity materials.



**WHERE & HOW TO APPLY**

- All interested applicants should contact Dee-dee Guerra, Executive Director of Visit McKinney, at 972-547-2059, to discuss your proposal and plans **prior** to submitting an application.
- Applications are available at [www.visitmckinney.com](http://www.visitmckinney.com). Applications may also be obtained by calling 972-547-2059 or emailing [dguerra@visitmckinney.com](mailto:dguerra@visitmckinney.com). The deadline for submission of applications will be strictly followed.
- If you are interested in a preliminary review of your proposal or idea by the Visit McKinney Board, please complete the **Letter of Inquiry** form, available at [www.visitmckinney.com](http://www.visitmckinney.com), by calling 972-547-2059, or emailing [dguerra@visitmckinney.com](mailto:dguerra@visitmckinney.com).

## TEXAS HOTEL TAX EXPENDITURE REQUIREMENTS

### CRITERIA #1:

Every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry.



### CRITERIA #2:

Every expenditure of the hotel occupancy tax must clearly fit into one of nine statutorily provided categories for expenditure of local hotel occupancy tax revenues. The nine categories for expenditure of the hotel occupancy tax are as follows:

- 1) Funding the establishment, improvement, or maintenance of a convention center or visitor information center;
- 2) Paying the administrative costs for facilitating convention registration;
- 3) Paying for advertising, solicitations, and promotions that attract tourists and convention delegates to the city or its vicinity;
- 4) Expenditures that promote the arts;
- 5) Funding historical restoration or preservation programs;
- 6) Funding certain expenses, including promotional expenses, directly related to a sporting event within counties with a population of under one million;
- 7) Funding the enhancement or upgrading of existing sports facilities or sports fields for certain municipalities;
- 8) Funding transportation systems for tourists; and
- 9) Signage directing tourists to sights and attractions that are visited frequently by hotel guests in the municipality.

Details about these regulations can be found at [www.comptroller.texas.gov](http://www.comptroller.texas.gov).