

Further additional clarification information:

Regarding reporting interest, the law states that if any interest is earned, it must be reported. In many cases because of accounting systems and banking policies, interest is NOT earned specifically on accommodations tax funds. Therefore, it cannot be reported. If this is the case with your municipality or county, please note it with an "*" asterisk beside the "interest" line on the accommodations tax reporting form. You may also offer a brief explanation as to why.

Regarding "Re-Granting" TERC has determined that once funds are received by an organization, then it is only acceptable for that particular organization to spend the funds. Many times, an organization receives funds and then "re-grants" those funds to a smaller organization for disbursement. This is not an appropriate use of tourism monies per Section 6-4-10 of the S.C. Code of Laws. Over the years, the Tourism Expenditure Review Committee and its advisors have gleaned that according to Section 6-4-10 of the S.C. Code of Laws, there should not be a re-granting process. If you read the Section, you will notice that it clearly states the process in which funds should be granted. Funds are received by a municipality or county and the same municipality or county, after potential recipients go through a proper application and review process, awards funds to an eligible nonprofit, which in turn, has a responsibility to use the money for proper tourism-related expenditures within a certain time frame. Title 6 of the S.C. Code of Laws gives the municipal and county government discretionary powers to disburse public funds and to maintain control over these funds to assure that these funds are used for their intended purpose for which they were authorized to be used. By allowing an entity to re-grant funds given to them, the local municipality or county government would in actuality give this authority to the entity doing the re-granting and would give discretionary power to disburse public funds to such entity. This is an unlawful process per the Code Section. Hence TERC has interpreted that it would not be an acceptable process to allow organizations, once they receive the funds, to simply "re-grant" them to other organizations. However, if a recipient would like to spend the funds on **advertising and promoting the various tourism events or aspects of these other organizations**, then it would be an acceptable expenditure under Section 6-4-10.