



**TOURIST DEVELOPMENT DEPARTMENT**

**OPERATIONS & PROCEDURES MANUAL**

**TDC**  
**February 24, 2026**

**BCC**  
**March 3, 2026**

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## **SECTION ONE: OPERATIONS AND PROCEDURES**

### **A. TOURIST DEVELOPMENT PLAN**

- 1) Pursuant to Section 125.0104(4)(d), Florida Statutes, the County has adopted a Tourist Development Plan by ordinance enacted by the Board.
- 2) As necessary, the Director shall present Tourist Development Plan revisions to the Council for recommendation to the Board.

### **B. STRATEGIC MARKETING PLAN (SMP)**

- 1) The Director is responsible for preparing an annual Strategic Marketing Plan identifying goals & objectives and an allocation of funds (e.g. media plan, public relations, sales activities), which shall be presented to the Council for review and recommendation to the Board.
- 2) Within the SMP, funds may be allocated to an “Opportunity Advertising” category to provide for promotional opportunities that may arise which are not otherwise specifically identified. These funds may be spent with concurrence of the Council Chair and in accordance with County purchasing policies and approval authorities and the Act. A monthly reconciliation of the use of “Opportunity Advertising” funds will be provided to the Council for informational purposes.
- 3) The County recognizes the importance of flexibility to respond to market conditions and that deviations from the approved Strategic Marketing Plan may occur during the year. The Director will apprise the Council and the Board of these changes as they become known.

### **C. BUDGET**

- 1) Annual Budget. The Director is responsible for preparing an annual budget, which shall contain, at a minimum, the following items:
  - a. Projected tourist development tax revenues for the budget period.
  - b. Projected expenses by account number and summarized by category for the budget period.
  - c. Proposed funding allocation for public safety based on 10% of collections.
  - d. Proposed funding allocation to municipalities based on 12.5% of collections.
  - e. Proposed capital projects.
  - f. Recommendation on staff positions and salaries, if position changes.
  - g. Recommendation on reserve levels.
- 2) Council Review. The Council shall review the annual budget to ensure conformity with the Tourist Development Plan and the provisions of Section 125.0104, Florida Statutes.
- 3) Reserve Expenditures. The Council shall review and provide a recommendation on any proposed allocation of reserve funds during the course of the budget year which require Board action.
- 4) Contracts and Grants. The Council shall review and provide a recommendation for all proposed contracts and grant agreements within the Board’s approval threshold requiring expenditure of tourist development tax dollars.

**D. RESERVES**

- 1) Reserves mitigate current and future budgetary risks (e.g. revenue shortfalls and unanticipated expenditures) and are essential to long-term financial stability by enabling continued operations when revenue collections are adversely impacted, expediting recovery in the aftermath of a major storm event, and allowing the organization to take advantage of major unforeseen promotional, product improvement, and infrastructure opportunities.
- 2) Tourist development taxes are highly seasonal and the majority of collections occur during hurricane season, which can be unpredictable. Furthermore, to influence spring and summer travel decisions, the marketing budget has largely been incurred before the bulk of collections are received.
- 3) Reserves shall be maintained, at a minimum, for the following purposes:

Reserve	Purpose	Target Amount
Beach Restoration	Expedite recovery and/or provide federal/state grant match dollars in the aftermath of a storm event	\$20 million
East Pass Dredge	Perform dredge every 2-3 years to ensure safe passage for the commercial and recreational fleet	\$4.5 million
Convention Center Insured Loss	Insurance deductible in the aftermath of a storm event	\$1.5 million
Emergency Operations	Continued operations when revenue collections are adversely impacted	25%-35% of personnel & operating expenses, plus annual debt service
Emergency Promotions	Major unforeseen promotional or product improvement opportunities	20%-25% of promotional expenses
Public Safety	Continued presence when revenue collections are adversely impacted	Any amount within 10% public safety cap not expended in prior years

- 4) Contributions will be evaluated annually as part of the budget process. Funds shall be allocated to reach target amounts or to rebuild depleted reserves as budget funds allow.
- 5) 6<sup>th</sup> cent revenues may be used to replenish reserves upon a supermajority vote of the Board.

**E. REPORTS**

- 1) The Director is responsible for presenting financial and marketing reports, at least quarterly, to the Council and Board. Reports shall address, at a minimum, the following areas:
  - a. Revenues.
  - b. Expenditures.
  - c. Advertising Campaigns.
  - d. Public Relations.
  - e. Social Media.
  - f. Website Analytics.
  - g. Research.

- h. Convention Center.
- i. Film Commission.
- j. Coastal Resources.
- k. Destination Stewardship.

## **F. PARTNER PROGRAM**

- 1) A partner program fosters strong relationships between the TDD and industry partners to broaden awareness, present a unified brand, and jointly market the destination through various initiatives.
- 2) Partner program categories and fees or in-kind values shall be identified in the Strategic Marketing Plan.
- 3) TDD staff shall maintain a list of participating partners and contribution per partner.
- 4) TDD staff shall invoice partners, if applicable, with a copy of the invoice forwarded to the Clerk's office.

## **G. SPORTS MARKETING**

- 1) The recreational sports industry is growing at the regional, national, and international level for which organizations may be required to submit bids to demonstrate they can best host the event. Bidding for sports events provides an opportunity to increase visitation during periods of low occupancy, begin new types of tourism visitation, and expose the area to more first-time visitors. The process of submitting a proposal, application, or bid to host an event is often referred to as the "bid process" and shall not be confused with the bid process outlined in the County's Purchasing Manual.
- 2) The Tourist Development Department is authorized to engage in the bid process for sports events. Determination of the appropriate bid (e.g. cash, in-kind) is based on available budget funds and the following factors as appropriate:
  - a. Management team (e.g. TDD staff, local club, regional/national association)
  - b. Financial information (e.g. budget, community support, contingency funds)
    - Bid amount, facility costs to accommodate, staff support cost
    - Financial strength of organization
    - Non-TDT funding of the event
  - c. Anticipated return on investment (ROI) / Metrics for success (e.g. out-of-area visitors, sports industry prestige)
  - d. Seasonality (e.g. time of year, Peak/Shoulder/Off-Peak)
  - e. Availability and fit with existing community sports infrastructure/facilities
  - f. Fit with Destination Stewardship and overall Marketing Approach

## H. SPONSORSHIPS

- 1) The Tourist Development Department is authorized to sponsor trade shows, media events, travel and tourism industry events, and mission-aligned events and programs held at county venues to promote/heighten brand awareness and differentiate itself from the competition to a target audience.
- 2) Sponsorships may be used to raise funds to hold an event and therefore meets the statutory requirement of being essential to tourism promotion and only available if advance payment is made. Sponsorships shall not be considered payment in advance requiring Board approval. Payment may be issued upon receipt of an invoice.
- 3) Proof of performance shall be the deliverable(s) to which the sponsor is entitled. Proof of performance will be forwarded to the Clerk's office upon completion of the event.
  - a. If complimentary event tickets are provided, tickets shall be used to promote the destination (e.g. generate event publicity, staff attendance for educational purposes, sweepstakes giveaways). A listing of to whom complimentary tickets were given and how used will be provided.

## I. LOCAL EVENT SUPPORT

- 1) The event must be open to the public and held within the County/taxing district.
- 2) Applications received by the deadline (late summer) will be evaluated based on available budget funds and the following factors as appropriate:
  - a. Extent to which event is synonymous with or showcases a unique feature of the destination
  - b. Seasonality (*Note: events held during peak summer season will not be considered*)
  - c. Target audience (e.g. demographics, geography, reach)
  - d. Success rate (e.g. results from prior year or similar event)
  - e. Ability to document attendance and lodging rooms generated
  - f. Anticipated return on investment (ROI) / economic impact
  - g. Potential to garner community support and become self-sustaining
  - h. Industry prestige / capability to independently secure media coverage
  - i. Fit with Destination Stewardship and overall Marketing Approach
- 3) Applications received after the deadline may be considered for new events only, provided budget funds are available for this purpose and there is adequate lead time to properly market the event.
- 4) Consideration may be made for events able to independently secure media coverage superior to that which the County's advertising agency can secure for the approved local event category.
  - a. The County's advertising agency shall evaluate the proposed media coverage within the parameters of the current year SMP and provide a recommendation.
  - b. Independently secured media coverage is not intended to be ongoing. Evidence of decreased reliance on TDT funding or increased attendance/lodging/economic impact must be demonstrated for multi-year funding.
- 5) Events are eligible to receive *either* paid media support *or* sponsorship funds. Criteria used to determine paid media support and sponsorship funding levels shall be identified in the Strategic Marketing Plan.

## SECTION TWO: OPERATIONAL & CAPITAL FUNDING REQUESTS

### J. PURPOSE

The TDD may provide operational and/or capital funding support to organizations promoting tourism, as authorized under Section 125.0104, Florida Statutes, and the Tourist Development Plan.

### K. MUNICIPALITIES 12.5% ALLOCATION

#### Process

- 1) **Preliminary expenditure plan applications are due March 1** for the upcoming fiscal year. If March 1 is a Saturday or Sunday, expenditure plans are due the preceding Friday.
- 2) Applications shall be submitted per each project in the format prescribed by the County and will be reviewed for compliance with the Interlocal Agreement, Tourist Development Plan, and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto.
  - a. Tourism funds may not be used to supplant existing General Fund operations.
  - b. To avoid tourism dollars being invested that do not lead to any tourism asset development, promotion, enhancement or benefit, except for public facilities which are determined by the County in its discretion to be critical infrastructure, cities shall fund any Concept Plans/Feasibility Studies/ PD&E, including but not limited to: potential site layout, planned amenities types (to include support items as bathrooms, concessions, parking, lighting, landscaping), and approximate cost estimates. Once a Concept Plan is completed, the County will work with the City to determine each project component's relation to tourism and identify proportionate funding participation - i.e. City, Grants, Tourism.
  - c. Construction design (or partial design depending on tourism relevance) may be funded if tied to the City's definite commitment for the construction of the tourism facility/asset.
  - d. To ensure tourism brand standards alignment, the County retains final creative approval for all promotional/marketing and wayfinding initiatives.
- 3) **Final expenditure plan applications are due July 1.** If July 1 is a Saturday or Sunday, expenditure plans are due the preceding Friday. Complete applications meeting the above requirements shall be presented by County staff to the Tourist Development Council for a recommendation to the Board as part of the annual budget process. Presentation of certain larger or multiyear projects to the Council may be requested.
- 4) Upon final adoption of the annual budget by the Board in mid-September, expenditure plans are considered approved. Expenditures made prior to approval may not be eligible for payment.
- 5) The Okaloosa County tourist development logo shall be prominently placed alongside capital projects or funding shall be otherwise acknowledged: "This project funded by Okaloosa County Tourist Development Tax".

#### Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review.
  - a. Expenditure Transaction Report (or comparable) listing transaction date, vendor name, amount, and description is required for operational and maintenance expenses.
  - b. Vendor invoices and proof of payment is required for capital project expenses.
  - c. Direct vendor payment, rather than reimbursement, may be permitted for smaller municipalities if denoted on the expenditure plan and approved by the Board.

- d. All procurement responsibilities rest with the municipalities.
  - e. Additional documentation may be required as necessary to determine the validity of any expenditure.
- 2) Any payment shall only be made up to the amount currently available from accumulated TDT funds.
  - 3) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.
  - 4) Unspent funds for approved expenditure plans will roll forward into future fiscal years until the expenditure plan scope of work is complete.
  - 5) Funds may be shifted within approved expenditure plan line items.

Amendment

- 1) Approved expenditure plans may only be amended during the County's annual budget process, unless the County determines there is good cause and extraordinary circumstances to amend the expenditure plans.
- 2) Upon final adoption of the annual budget by the Board in mid-September, expenditure plan amendments are considered approved. Expenditures made prior to amendment approval may not be eligible for payment.

Annual Report

- 1) An annual report shall be submitted to the County by November 30 each year summarizing the status/progress of each project as of September 30.

**L. PUBLIC SAFETY 10%, MUSEUMS, CHAMBERS**

Process

- 1) A pre-application meeting will be held with each group to discuss available funding and budget allocation among the entities within in each group.
  - a. Public Safety – funding may be used countywide but shall be primarily focused on beach and water safety and event-specific tourism activities/impacts. Public Safety funds may not be used to supplant the normal operating expenses of the public safety entity.
  - b. Museums – funding may be used for operations, exhibits and/or promotional advertising. The invoice shall be signed by the Museum Director and indicate how the tourism funding was spent.
  - c. Chambers – funding shall be focused on advocacy and the promotion of tourism-related services and activities.
- 2) **Applications are due by April 15** for the upcoming fiscal year. If April 15 is a Saturday or Sunday, applications are due the preceding Friday.
- 3) A Conflict of Interest form must be submitted with the application.
- 4) Applications completed in their entirety shall be presented by County staff to the Tourist Development Council to be considered for funding as part of the annual budget process.
- 5) Upon final adoption of the annual budget by the Board in mid-September, funding agreements are issued.

Payment

- 1) Payments are on a reimbursement basis only no more frequent that monthly. Invoicing shall be in sufficient detail for pre- and post-audit review in accordance with the terms of the funding agreement.

- 2) Funding lapses at fiscal year-end (September 30). Failure to submit a timely invoice may result in forfeiture of funding.

## **M. OTHER REQUESTS FOR CAPITAL PROJECTS/TOURISM SUPPORT**

### Process

- 1) A mandatory pre-application meeting shall be required with the TDD Director prior to submittal to discuss the project and specifics of the application.
- 2) **Applications are due March 1** for the upcoming fiscal year. If March 1 is a Saturday or Sunday, applications are due the preceding Friday.
- 3) Applications shall be submitted per each project in the format prescribed by the County and will be reviewed for compliance with the Tourist Development Plan, and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto.
- 4) Complete applications meeting the above requirements shall be reviewed by County staff. These applications shall face a much higher discretionary threshold for funding, especially if entity is already receiving TDD funding. County review shall include the following considerations at a minimum:
  - a. Tourism Impacts – Solve tourism issues, ROI, seasonal impacts (i.e. help off season), niche tourism, expansion of tourism base activities.
  - b. Compliance/Alignment – With current TDD strategies/goals, plans, destination stewardship plans/goals, key markets visitors, local land use regulations, community/business community support.
  - c. Non-TDT Funding – current funding of activity, percent of non-TDT funding in project, variety of other sources, organizational funding committed, any grants and the commitments status of all non-TDT funds.
  - d. TDT Funding – one-time outlay vs. ongoing/recurring, financial status of TDD, potential impact on other project funding/financial coverage, dollar amount requested, proposed payment schedule, use of other funding received/prioritization, previous award of funding and generation of bed tax.
  - e. Project Feasibility – Any plans or studies, project manager/team, schedule, secured financial support, governmental support, permitting status, and similar items.
  - f. Other relevant considerations – Precedent, generation of bed taxes, potential for future bed taxes, creation of jobs or new tourism businesses, and similar type items.
- 5) County staff shall present a funding recommendation to the Tourist Development Council for a recommendation to the Board as part of the annual budget process. Presentation by applicants of these projects to the Council shall be required unless waived by the County.
- 6) A funding agreement shall be required for each approved application.
- 7) Upon final adoption of the annual budget by the Board in mid-September, funding agreements are issued.

### Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review in accordance with the terms of the funding agreement.
- 2) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.