

# **Southern Delaware Tourism (SDT) Policy on Surplus Funds, Accountability, and Performance Improvement**

## **1. Purpose**

This policy establishes a consistent, transparent, and supportive framework for managing unexpended chamber funds, evaluating funding applications, and ensuring partner accountability **without the use of penalties or fund withholding**. It is designed to strengthen collaboration between SDT and chambers of commerce and support the effective use of tourism development funds.

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## **2. Definitions**

### **2.1 Chamber**

A local chamber of commerce or designated tourism partner eligible to receive SDT funding.

### **2.2 Fiscal Year (FY)**

SDT's fiscal year runs from **July 1 through June 30** of the following year.

### **2.3 Unexpended Funds**

SDT funds allocated to a chamber that remain unspent at the end of the fiscal year in which they were awarded.

### **2.4 Carryover Funds**

Unexpended funds approved to be carried into the next fiscal year for completion of eligible expenses.

### **2.5 Documentation**

Receipts, invoices, financial statements, reports, or other materials required by SDT to demonstrate appropriate use of funds.

## **2.6 Performance Improvement Plan (PIP)**

A structured support framework initiated when a chamber's application or reporting indicates deficiencies. A PIP outlines required improvements, timelines, SDT support, and accountability expectations.

## **2.7 Application Rubric**

A standardized evaluation tool used by SDT's Executive Director (ED) and Executive Committee to assess chamber funding applications, ensuring clarity, consistency, and actionable feedback.

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# **3. Policy Details**

## **3.1 Carryover of Unexpended Funds**

1. Chambers may carry unexpended funds into the next fiscal year.
2. **Timeline:** Carried-over funds must be spent by **June 30 of the subsequent fiscal year**.
3. Chambers must provide required documentation for carried-over funds during the regular reporting cycle.
4. If a chamber is struggling to spend funds or meet deadlines, SDT staff may provide **direct technical or programmatic assistance** to support appropriate and timely use of funds.
5. Unexpended funds **will not revert to the SDT general fund** unless programmatically impossible to spend; all efforts will focus on local use where earned. Timeline will be identified through the PIP process.

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#### **4. Accountability Without Penalties**

SDT will not implement financial penalties, withholding, or fund forfeiture. Instead, SDT uses a **support-first accountability process** to address deficiencies.

Areas that may trigger additional support include:

- Repeated difficulty spending funds
- Incomplete or inconsistent documentation
- Spending outside SDT approved funding guidelines
- Applications lacking sufficient detail
- Program execution challenges due to staffing turnover or capacity issues

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#### **5. Application Review Process**

##### **5.1 Use of the SDT Application Rubric**

The ED and Executive Committee will evaluate all applications using the standardized rubric (provided in Section 9).

The rubric is used to:

- Provide consistent scoring
- Offer comments, suggestions, and improvement requirements
- Guide chambers toward stronger proposals

- Determine whether a PIP is necessary

## 5.2 Authority

- The **Executive Director** is the primary reviewer and evaluator.
  - The **Executive Committee** provides oversight and approves any PIP.
  - The **P&P Committee** is informed of PIPs for transparency but does not review applications. If there is not a consensus between the Executive Director, the Executive Committee, and/or the chamber partner, then the P&P committee will act as intermediary to settle any disputes. The P&P committee decision will be final to settle the issue at hand.
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## 6. Performance Improvement Plan (PIP)

A PIP may be initiated when a chamber's performance indicates a need for structured assistance.

### 6.1 Reasons a Chamber May Enter a PIP

- Incomplete or insufficient application
- Repeated failure to meet documentation requirements
- Pattern of unexpended funds or unclear spending plans
- Organizational capacity concerns (e.g., staffing transitions)
- Misalignment between funded activities and SDT goals

## 6.2 PIP Components

A PIP will include:

1. **Areas of concern** (specific and actionable)
2. **Required improvements**
3. **Timeline for compliance**
4. **SDT support resources**, including staff assistance when appropriate
5. **Follow-up check-ins** (frequency determined by ED)
6. **Consequences of non-completion**, which may include application revisions or re-submission—not financial penalties

## 6.3 Governance and Oversight

- ED drafts the PIP
  - Executive Committee reviews and approves
  - P&P Committee is informed and may provide recommendations or questions
  - Chambers are full participants in the improvement process
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## 7. Optional Mid-Year Financial Check-In

To reduce fiscal year-end issues and improve forecasting:

- SDT may conduct a **mid-year check-in** (January–February)
  - Purpose: review spending progress, identify challenges, offer support
  - **No formal report is required**
  - This is not a compliance audit but a collaborative touchpoint
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## 8. Policy Goals

This revised policy aims to:

- Promote fairness and transparency
  - Strengthen SDT–chamber partnerships
  - Remove punitive structures while increasing accountability
  - Support chambers through staffing transitions or limited capacity
  - Ensure funds are spent where they are earned
  - Simplify processes for chamber executives
  - Encourage continuous improvement in application quality and marketing impact
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## 9. Sample SDT Application Evaluation Rubric

### Scoring Key

| Score                           | Definition                                                                         |
|---------------------------------|------------------------------------------------------------------------------------|
| <b>3 – Exceeds Expectations</b> | Strong, clear, well-supported application demonstrating high readiness and impact. |
| <b>2 – Meets Expectations</b>   | Satisfactory application with adequate detail; minor improvements suggested.       |
| <b>1 – Needs Improvement</b>    | Insufficient clarity, documentation, or alignment; PIP may be considered.          |
| <b>0 – Not Addressed</b>        | Required component missing or incomplete.                                          |

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### Rubric Categories

#### 1. Strategic Alignment (0–3 points)

- Application aligns with SDT mission and regional tourism goals
- Activities demonstrate clear tourism impact
- Chamber articulates expected outcomes

#### 2. Budget Clarity & Feasibility (0–3 points)

- Budget is clear, realistic, and aligned to activities
- Demonstrates financial stewardship
- Identifies any carryover needs

### **3. Marketing & Program Plan (0–3 points)**

- Marketing activities are well-defined and targeted
- Goals and KPIs (key performance indicators) are included
- Timeline is appropriate

### **4. Capacity & Readiness (0–3 points)**

- Chamber demonstrates ability to carry out proposed work
- Staff roles or contractors are clearly identified
- If in transition, chamber identifies support needs

### **5. Documentation & Reporting Quality (0–3 points)**

- Documentation is complete and timely
- Clear plan for reporting on current proposal
- Addressed any prior concerns

### **6. Overall Strength of Application (0–3 points)**

- Application is cohesive and achievable
  - Demonstrates meaningful impact on local tourism
  - Includes innovative or high-value elements
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**Total Score: 0–18 Points**

- **15–18:** Strong application; approve
- **10–14:** Approve with recommendations
- **6–9:** Requires revisions; may trigger a PIP
- **0–5:** Significant concerns; PIP recommended