

Section 1 - What's in this Chapter

Updated 2011

This chapter includes a brief discussion of different ways to manage the operations of your lodging tax board. Reporting and record keeping requirements for employers are also discussed.

Section 2 - Management

Updated 2011

Most boards that begin with a small amount of lodging tax revenue generally manage their programs themselves. As lodging tax revenue and associated programs grow, your board may not have the time or expertise to do all that needs to be done, and you may start to consider other management options. Some of the different types of management options are discussed below.

If your board hires a contractor or an employee, you are legally responsible and liable for their actions. Care should be taken to make sure that you appropriately oversee and account for all staff operations.

Volunteer Board

As mentioned, most boards begin with volunteer management. Board management ensures that you always know what is going on. It doesn't cost your board any money, but it can require large investments of time by individual board members. With increased revenue and programs, you may decide that your board requires some additional expertise.

Contract Assistance

Boards generally begin exploring staffing options when annual lodging tax revenues approach \$75,000. At this level, many boards contract with consultants for the services they need. This gives you their expertise without the cost of a full-time employee. The services obtained this way typically include accounting and marketing. And while you might have enough office work to justify a part-time employee, the increased record keeping may not make it worthwhile. Instead, find a qualified independent contractor (see Appendix 801) to answer phones, take care of fulfillment mailings, pay bills, or cover other office responsibilities on a part-time basis. You may want to use the independent contractor agreement form in Appendix 802 as a guide when you contract for services.

Staff Employees

As revenue continues to grow and your programs increase in number and complexity, you may decide to hire staff to help promote your community. Annual lodging tax revenues are generally approaching \$150,000 before this decision is considered. Since the primary job of your lodging tax board is to promote your community, your first priority will probably be finding an employee with a strong background in marketing. Whomever you hire will normally be responsible for day-to-day operations as well, so you could also choose someone with management experience, a Chamber of Commerce background, etc..

Chapter 8 – Personnel

Hiring and Firing

Hiring an independent contractor can be fairly simple. Determine what you need, advertise the details, select the best applicant, and sign a contract with them. The WTIC Administrator can help in this process.

Firing your contractor is equally simple and is controlled by the terms of your agreement. If your contract doesn't include non-performance provisions (and it should), simply let the contract lapse when it expires.

Hiring an employee is only slightly more complicated. You may want to spend a little more time developing your job description since it will probably cover multiple areas. After determining what qualifications you need for this position, advertise the job opening, interview the applicants, select the best choice, and hire him or her.

If you reach the unfortunate conclusion that you must fire staff (and you need to try to avoid this), be very careful. Consult legal counsel to make sure that you haven't unknowingly created an implied contract with the employee that you could be sued for breaching. Unless you have documented long-term patterns of misconduct, your board will probably be responsible for unemployment benefits. Although you don't pay them directly, they do impact your unemployment insurance tax rate.

Section 3 - Payroll Requirements

Updated 2011

When you hire employees – whether one or ten – your board immediately becomes responsible for meeting a number of new requirements.

Employer Identification Number

Unless you already have one, the first thing your board needs to do is file Form SS-4 with the IRS to get an Employer Identification Number (also referred to as an EIN or TIN). You can obtain this form on the IRS website www.irs.gov, call in the information, and receive your EIN over the phone in most situations. In some cases you can fill in and submit the form online.

Unemployment Insurance

Government entities are exempt from federal unemployment taxes but your board must file with the Wyoming Department of Employment for an unemployment insurance account.

This is done by filling out the Wyoming Business Registration Form obtained from the Department's Employment Resources Division. New applicants are assigned a base rate which can be adjusted yearly depending on the number of unemployment claims your account receives.

- This is an employer tax which means you may not deduct it from the employee's pay.
- You are required to make deposits (normally quarterly) using the forms the state provides.

Worker's Compensation

When the Department of Employment reviews your Wyoming Business Registration Form, they will also assign a worker's compensation account and associated tax rate. This is also an employer tax. Deposits for worker's compensation are made on the same form as for unemployment insurance.

Federal Withholdings

Unless your employees are covered by a qualified state retirement plan, your board will also be responsible for withholding social security and Medicare from each employee's paycheck. In addition, you will also need to withhold federal income tax.

Social security and Medicare taxes are a joint employee / employer responsibility with each party responsible for half (7.65% of gross wages) of the tax. The amount withheld for federal income tax is based on the employee's filing status and the number of allowances claimed on their W-4 form. Deposits are generally required monthly, and an informational report must be filed with the IRS quarterly.

Section 4 - Personnel Records and Forms

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Along with the additional payroll reporting and tax obligations discussed above, you will also need to keep a complete set of personnel records for each employee. These files should contain all hiring records, performance evaluations, all correspondence with the employee, and documentation of any problems.

You will also want to develop a set of personnel forms including job descriptions, performance evaluations, policy manuals, and employee handbooks. It's wise to obtain legal counsel to ensure that you are not creating an implied contract with any of your personnel forms. Examples of these forms are included in the following appendices.

Job Descriptions

- Appendix 803 - Executive Director: Example 1
- Appendix 804 - Executive Director: Example 2

Performance Evaluations

- Appendix 805 - Performance Review
- Appendix 806 - Performance Review: Executive Director
- Appendix 807 - Performance Evaluation

Policy Manuals

- Appendix 808 - Policy Statement
- Appendix 809 - Policy Guide

Employee Handbook

- Appendix 810

Section 5 - Resource Material

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This manual should be used as a guide only as it is based on changing legal requirements. We suggest you consult appropriate professional counsel if you have specific questions. The following material is included in the appendix section of this manual for general reference.

- Appendix 801 - Employee or Independent Contractor
- Appendix 802 - Independent Contractor Agreement
- Appendix 803 - Executive Director Job Description: Example 1
- Appendix 804 - Executive Director Job Description: Example 2
- Appendix 805 - Performance Review
- Appendix 806 - Performance Review: Executive Director
- Appendix 807 - Performance Evaluation
- Appendix 808 - Policy Statement
- Appendix 809 - Policy Guide
- Appendix 810 - Employee Handbook