



City of Palm Springs

Department of Finance and Treasury

3200 E. Tahquitz Canyon Way | Palm Springs, California 92262
Tel: (760) 323-8229 | Fax: (760) 322-8320 | Web: www.palmspringsca.gov

As a Homeowner/Agent that has been issued a Vacation Rental Registration Certificate under PSMC Chapter 5.25 Vacation Rentals and issued Transient Occupancy Tax Permit under PSMC Chapter 3.24 Transient Occupancy Tax **has agreed** to a TOT Audit as a condition of such permits. This is to insure proper collection and administration of the TOT. During any such examination, it is imperative that you be able to demonstrate your handling of these public tax funds through appropriate records.

The City has retained Avenu Insights & Analytics, LLC (formerly MuniServices, LLC) to conduct an audit of Transient Occupancy Tax Permit records. We understand that the TOT Audit can create an inconvenience for a Vacation Rental Operator. In order to expedite your TOT Audit quickly and efficiently for all parties involved, we are providing a guideline worksheet to help you prepare.

An Audit Request Notice will be sent to you via regular mail. It will include additional instructions and a list of documents needed to complete our audit. By agreement with the City, Avenu Insights & Analytics, LLC will not copy or maintain any documents that you send. At your option, all hard copy documents will either be returned to you in the mail, or Avenu Insights & Analytics, LLC will destroy both electronic and hard copy documents which you have provided for the purposes of conducting our audit.

All applicable items will need to be submitted by the date listed on your audit request notice. The period for completing our audit will depend on the information provided.

Please note, if you no longer own or no longer utilize your property as a Vacation Rental, **you are still subject** to an audit for the period of time the TOT permit was active.

We greatly appreciate your attention and efforts to being in compliance.

What to expect during an audit...

TOT AUDIT GUIDELINE

Below is an initial list of items that will be required of you to provide to conduct our TOT Audit. Should the audit yield inconsistencies a Secondary Audit may be requested. A secondary audit may ask for additional documentation or clarifying information. Such documentation may include bank statements, tax returns, etc. These are records that the auditors will expect to find available and assembled, as may be applicable to your operation.

AGENCY –

- List of all properties under contract with the Agency during the period of review including:
 - Owner's Name
 - Exact property address
 - Type of rental unit: Condominium, single family home, etc.
 - Sleeping capacity
 - Range of rental rates
 - Rental terms: Daily, weekly or monthly
- Monthly report of rents generated from the reservation system for the selected months.
- Documents that reconcile the monthly recaps to the amounts entered on the monthly TOT forms.
- Schedule of rents reported to the City for the selected months of non-transient rents or those reported as long-term rents (stays of 28 consecutive days) – if applicable.
 - Schedule should reconcile to the monthly rent summary schedules generated from the accounting records.
 - Schedules should include the name of the property, check-in and check-out dates and the amount of rent.
- Reports summarizing rent activity sent monthly to each of the owners for the selected months (Owner's statements).
- Rental agreements of both transient and non-transient guests for the selected months.
- Indicate which charges, charged to the guest are charged Occupancy Tax.
- Federal Income Tax for the last three years. This will be included in your Audit Request Notice.

INDIVIDUAL (Non-Agency) –

- List of websites (ex. Airbnb, Flipkey, Homeaway, VRBO, etc.) where the property was listed and operated (where homeowner has a log in with the ability to control content) as a Vacation Rental. In addition, include the year (including partial year) and income generated from such websites in that year. Attach a detailed printout from each website showing the income distribution (payout history) for each year. [Click here to download the TOT Audit Worksheet.](#)
- List any additional income generated from the Vacation Rental outside of the websites mentioned above. Attach records supporting the additional income. [Click here to download the TOT Audit Worksheet.](#)
- A breakdown of all income received in each year of the audit period for the property/properties. The breakdown should include all non-recurring, miscellaneous fees charged to the guests for optional, additional goods or services offered or provided to guests including without limitation "no show" fees, pet fees, cleaning fees, etc.; (some items may be found under the transactional history of an online booking platform, guest contracts, transaction details, etc.)
- Accounting records and/or other cash receipt lists, spreadsheets or journals used to calculate and arrive at the total amount of income each year generated by the vacation rental property/properties subject to the Palm Springs TOT; (Accounts Receivable, Statement, Accounts Payable Statements, General Ledger, etc.).
- 1099 Income Tax Forms issued by any hosting platform.

TOT AUDIT WORKSHEET

List of websites (ex. Airbnb, Homeaway, Flipkey, VRBO, ect.), where the property was listed and operated as a Vacation Rental. Include year (including partial year) and income generated. Attach to this page a printout from each of the websites showing the income distribution (payout history) for each year operated. Use additional sheets as needed.

Website	Year	Income
1.		\$
2.		\$
3.		\$
4.		\$
5.		\$
6.		\$
7.		\$

List below any additional income generated from the Vacation Rental outside of the websites listed above. Attach all supporting documents for the additional income. Use additional sheets as needed.

Source	Year	Income
1.		\$
2.		\$
3.		\$
4.		\$
5.		\$
6.		\$
7.		\$

I, _____ hereby attest that the information provided pursuant to this request is the most complete and accurate information that is available regarding the recordkeeping requirements of § 3.24.140 Transient Occupancy Tax - Records, subject to civil and criminal penalties under § 5.25.090 Vacation Rental - Violations, penalties of perjury under § 5.25.060 Vacation Rental Registration Requirements, and/or the revocation of my Vacation Rental Certificate. **This portion must be signed and returned with the information requested above.**

Signature _____ Date _____

Print Name _____

TOT Number _____