

MONTANA

OFFICE OF TOURISM

**REGULATIONS AND PROCEDURES
FOR
REGION/CVB TOURISM ORGANIZATIONS
USE OF
LODGING FACILITY USE TAX REVENUE**

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Contact Information:

Barb Sanem

Brand MT

301 South Park, PO Box 200533

Helena, MT 59620

406-841-2769

Fax: 406-841-2871

E-mail: bsanem@mt.gov

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REGION/CVB TOURISM REGULATIONS FOR USE OF LODGING FACILITY USE TAX REVENUE

1. MONTANA CODE ANNOTATED

MCA 2-15-1816 Tourism advisory council

There is created a tourism advisory council.

- (1) The council is composed of not less than 12 members appointed by the governor from Montana's private sector travel industry and includes at least one member from Indian tribal governments, with representation from each tourism region initially established by executive order of the governor and as may be modified by the council under subsection (5).
- (2) Members of the council shall serve staggered 3-year terms, subject to replacement at the discretion of the governor. The governor shall designate four of the initial members to serve 1-year terms and four of the initial members to serve 2-year terms.
- (3) The council shall:
 - (a) oversee distribution of funds to regional nonprofit tourism corporations for tourism promotion and to nonprofit convention and visitors bureaus in accordance with **Title 15, chapter 65, part 1**, and this section;
 - (b) advise the department of commerce relative to tourism promotion;
 - (c) advise the governor on significant matters relative to Montana's travel industry;
 - (d) prescribe allowable administrative expenses for which accommodation tax proceeds may be used by regional nonprofit tourism corporations and nonprofit convention and visitors bureaus;
 - (e) direct the university system regarding Montana travel research;
 - (f) approve all travel research programs prior to their being undertaken; and
 - (g) encourage regional nonprofit tourism corporations to promote tourist activities on Indian reservations in their regions.
- (4) The council may modify the tourism regions established by executive order of the governor.
- (5) The department of commerce shall adopt such rules as may be necessary to implement and administer **Title 15, chapter 65, part 1**, and this section.

**Removed and replaced with 2021 language. MCA 15-65-121. (Temporary)
Distribution of tax proceeds. (2021 MCA Version)**

(Terminates June 30, 2027--sec. 12, Ch. 563, L. 2021.)

- (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (2)(a) through (2)(i) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was paid with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount deducted less the portion paid with federal funds in the state general fund.

- (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with federal funds, or deposited in the heritage preservation and development account must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, to the state-tribal economic development commission, and to the department of fish, wildlife, and parks, as follows:
 - (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;
 - (b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;
 - (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;
 - (d) 1.4% to the invasive species state special revenue account established in 80-7-1004;
 - (e) 60.3% to be used directly by the department of commerce;
 - (f) (i) except as provided in subsection (2)(f)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

- (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district;
- (g) 0.5% to the state special revenue account provided for in **90-1-135** for use by the state-tribal economic development commission established in **90-1-131** for activities in the Indian tourism region;
- (h) 2.6% to the Montana historical interpretation state special revenue account established in **22-3-115**; and
- (i) 2.7% or \$1 million, whichever is less, to the Montana heritage preservation and development account provided for in **22-3-1004**. The Montana heritage preservation and development commission shall report on the use of funds received pursuant to this subsection (2)(i) to the legislative finance committee on a semiannual basis, in accordance with **5-11-210**.
- (3) If a city, consolidated city-county, resort area, or resort area district qualifies under **15-68-820(5)(b)(iii)** or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in **15-65-122**, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.
- (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in **15-65-122**, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.
- (5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(c), (2)(e), and (2)(f) are statutorily appropriated to the entities as provided in **17-7-502**.
- (6) The tax proceeds received that are transferred to the invasive species state special revenue account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account pursuant to subsection (2)(h), and to the Montana heritage preservation and development account pursuant to subsection (2)(i) are subject to appropriation by the legislature.

MCA 15-65-122. Qualification of nonprofit entities for receipt of funds -- limitation on administrative costs.

- (1) The department of revenue shall provide the council with quarterly reports of regional tax proceeds and tax proceeds of cities, consolidated city-counties, resort areas, and resort area districts that qualify for disbursement of funds under **15-65-121**.
- (2) Funds may not be disbursed to a regional nonprofit tourism corporation or nonprofit convention and visitors bureau until that entity has submitted an annual marketing plan to the council and that plan has been approved by the council.
- (3) A maximum of 20% of the funds received by a regional nonprofit tourism corporation or nonprofit convention and visitors bureau may be used for administrative purposes as defined by the council.

2. DEFINITIONS/TERMS

"**Authorized Representative**" refers to the elected president of the board of directors of the regional tourism organization, or the top elected official of the governing body or teemployed executive director/president of the organization.

"**Brand MT**" refers to Brand MT, a division of the Department of Commerce.

"**Convention and Visitors Bureau (CVB)**, also referred to as a DMO, refers to a nonprofit corporation organized under Montana law and recognized by a majority of the governing body in the city, consolidated city-county, resort area, or resort areadistrict in which the bureau is located.

"**Council**" refers to the Tourism Advisory Council (TAC).

"**Department**" refers to Department of Commerce.

"**DMO**" refers to Destination Marketing/Management Organization. A Destination Marketing/Management Organization (DMO) is defined as a community asset responsible for programs promoting a community as an attractive travel destination and enhancing its public image as a dynamic place to live and work. Through the impact of travel, it strengthens the community's economic position and vitality which provides opportunity for all the people in the destination. While destination marketing helps position a particular destination as an attractive brand, the role of destination management is to ensure its sustainability over a prolonged period of time.

"**Governing Body**" refers to the city, consolidated city/county, resort area, or resort area district giving support to the DMO for recognition by the Council.

"**Indian Country Region**" refers to the tourism areas recognized as being historically associated with the seven federally recognized reservations in Montana and the Little

Shell Chippewa tribe.

“Lodging Facility” refers to a building containing individual sleeping rooms or suites, providing overnight lodging facilities for periods of less than 30 days to the general public for compensation. The term includes a facility represented to the public as a hotel, motel, campground, resort, dormitory, condominium, inn, dude ranch, guest ranch, hostel, public lodging house, or bed and breakfast facility.

All lodging facilities are required to get a lodging facility use tax identification number.

See **Administrative Rule 42.14.302** for Who Must Pay the Tax
<http://www.mtrules.org/gateway/ruleno.asp?RN=42%2E14%2E302>

“MCA” – Montana Code Annotated (Legislative rules adopted into State Code)

"Organization" refers to the nonprofit region/CVB organizations, which meet legal requirements and guideline requirements to be formally recognized by the Council.

"Region" also referred to as a DMO, refers to nonprofit tourism corporation or region organized under Montana law and recognized by the council as the entity for promoting tourism within one of several regions established by executive order of the governor.

“Tourism Advisory Council” as defined in **MCA 2-15-1816** (Page 4)

"Underlined Text" designates the most current changes to the Regulations.

3. ORGANIZATION ELIGIBILITY REQUIREMENTS

The following is the definition, purpose, overall function and responsibility of officially recognized organizations.

A Destination Marketing/Management Organization (DMO) is defined as a community asset responsible for programs promoting a community as an attractive travel destination and enhancing its public image as a dynamic place to live and work. Through the impact of travel, it strengthens the community’s economic position and vitality which provides opportunity for all the people in the destination. While destination marketing helps position a particular destination as an attractive brand, the role of destination management is to ensure its sustainability over a prolonged period of time.

The purpose of the DMO is to create a thoughtful strategy and implement a plan to:

- Promote a destination to identified target markets and audiences with a unified message.
- Create a desire for visitors to come and stay in the region or community area and encourage them to return.
- Support the destination as a steward of responsible travel and recreation.

- Serve as a resource for information and destination advocacy.
- Support tourism development that enhances the visitor experience.

Fiduciary Responsibility

A DMO spends public funds promoting a multitude of visitor amenities valued collectively by the people of a destination. The director of the organization should be prepared to handle a great deal of reporting, audits, and financial accounting. The organization shall have a board of directors for oversight purposes and all operations must be transparent.

Relevance in the Community

A DMO is a shared asset within the community it serves, therefore it must work collaboratively with other available community organizations such as Chamber of Commerce, Business Improvement District or other community or government agencies. For a DMO to be successful, tourism must be a core value of the community and promotions should support the public good for the benefit and well-being of all.

Visitor Information

The DMO is expected to create and maintain timely and relevant methods to deliver visitor information during the planning process as well as at the destination. This includes a comprehensive website for all DMOs. For CVBs this includes an accessible physical location within the community, managed or affiliated, where visitor information may be easily acquired.

Economic Development

A DMO helps pave the way for economic development agencies, for local corporations and educational institutions looking to recruit top talent. If a destination is a desirable place to visit, it is often an attractive place to live and start a business.

3.1 FORMING AN ORGANIZATION

By law, only one nonprofit organization within each tourism region or eligible city, consolidated city/county, resort area, or resort area district can be approved to receive available lodging facility use tax revenue. Organizations will submit the following documentation to the Council for approval and recognition at least 30 days prior to the June TAC meeting. Organizations may not enter into a contract with the Department without this documentation.

1. Proof of registration as a not-for-profit corporation, with active standing, registered with the Montana Secretary of State.
2. Proof of not-for-profit exempt status from the Internal Revenue Service.
3. Federal identification number.
4. Copy of current bylaws and articles of incorporation. Bylaws shall reveal that tourism is the purpose or part of the purpose of the organization.
5. Open access to all meetings related to any expenditures of lodging

facility use tax revenue, as required by law.

6. CVB's shall present a duly passed resolution from the governing body of their city, consolidated city/county, resort area, or resort area district giving support to the CVB for recognition by the Council.

Funds are awarded only to organizations, which meet the requirements of the Lodging Tax Law and have been formally recognized by the Council at the June meeting.

Organizations must also have their annual budget and marketing plan approved by the Council. Marketing plans are reviewed by the Council in May and approved in June.

Organizations are expected to have one paid staff or board member at each Council meeting. This representative is to be the individual who works most closely with the Department.

Recognition may be revoked of any organization, which fails to comply with the law/rules/regulations governing the distribution of lodging tax revenue.

3.2 CHANGE IN ORGANIZATION STRUCTURE

When there is a change of the organization's governing body within their city, consolidated city/county, resort area, or resort area district that is contracted with the Department, updates must be provided to the Department within 30 days of the change. A new contract must be issued by the Department for funds to continue to be awarded.

3.3 CHANGE IN ELIGIBILITY BASED ON COLLECTIONS

Based on a quarterly review of lodging tax collections, recognized organizations that are at risk of dropping below the minimum collections required to receive funds will be notified by the TAC chair that they may become ineligible.

The recognized organization may continue to execute their approved marketing plan and budget through the end of the fiscal year following the year in which they were eligible. This requires an amended contract with Brand MT and a vote of approval by the full TAC.

After one calendar year of failing to meet the minimum required collections, an organization will no longer receive funding. Notification of funding expiration will be provided by the TAC chair and Brand MT. Statute specifies that those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

If the organization has funds remaining, an amended contract is created to allow the organization to spend down the funds by the end of the following fiscal year. The amended contract must be signed and returned before any funds may be expended during the amended contract period. An updated marketing plan showing how the remaining funds will be expended will be presented for approval by the TAC during the June meeting.

During the amended contract period, the organization is still required to follow the Rules and Procedures including quarterly financial reports, marketing evaluation reports, and meeting attendance.

Once the amended contract is concluded, a final financial audit is completed. Any remaining funds not spent will be returned to Brand MT and then be transferred to the corresponding Region.

After meeting the minimum annual threshold of collections for one calendar year hence, the organization may need to re-apply for eligibility (see section 3.1). Funds may not be disbursed until that entity has submitted an annual marketing plan to the Council and that plan has been approved by the Council.

4. OPEN MEETING REQUIREMENTS

The Organization shall conduct all meetings in accordance with the open meeting statutes and regulations, pursuant to **Title 2, Chapter 3 MCA**, (https://leg.mt.gov/bills/mca/title_0020/chapter_0030/parts_index.html) and the public's constitutional right to know and to participate pursuant to **Article II, Montana Constitution** (https://leg.mt.gov/bills/mca/title_0000/article_0020/parts_index.html)

“Meeting” is defined as the convening of a quorum of the constituent membership of a public agency or association described in 2-3-203, whether corporal or by means of electronic equipment, to hear, discuss, or act upon a matter over which the agency has supervision, control, jurisdiction, or advisory power.

All meetings must:

1. Be open to the public. (see **MCA 2-3-203** for exceptions)
2. Maintain a current list of interested persons and organizations and distribute notices within the notice period.
3. Be noticed in a reasonable period prior to the meeting. 48-hours is the recommended minimum.
4. Notice meeting time, location, and agenda.
5. Provide opportunity for public comment on each agenda item.
6. Include a public comment period for items that are not on the agenda.
7. Keep meeting minutes and make them available for public inspection.
8. Minutes must be approved by the board of directors .

5. ANNUAL DMO PLAN PROCESS

DMO Resource Page: <https://marketmt.com/Programs/Industry-Services-and-Outreach/Resources-for-Tourism-Partners> Prior to the release of any funds, organizations shall receive Council approval, on an annual basis of 1) a narrative DMO plan including overall strategies, goals, objectives, metrics for success, and supporting research, and 2) an annual budget.

The annual DMO plan and budget shall arrive at the Department at least four weeks prior to the scheduled June Council meeting using the forms provided by the State.

Funds will only be released upon approval at the June Council meeting.

Any time an organization is uncertain of eligibility of any expenditure, a representative may request approval from the Marketing Committee in writing.

5.1 DMO PLAN DEVELOPMENT

Plans are to include the following elements:

1. DMO Plan Narrative
2. DMO Objectives and Metric Targets
3. Budget for all methods

DMO plans submitted are to have been approved by the DMO board of directors.

The plan will be presented at the June Council meeting. Funds will only be released upon Council approval at the June Council meeting.

Further information and details on the DMO plan narrative, objectives, budget, and evaluation are contained on the pages that follow.

5.2 KEY DATES

The State of Montana's fiscal year begins July 1. The timeline for materials submission and review reflects the July fiscal year.

The annual DMO plan and budget shall be submitted to the Department in May, reviewed for approval by the Council at the June meeting. Any contingencies, stipulations or additional requirements must be addressed on or before June 30th.

Organizations shall submit a quarterly financial report that meets Brand MT requirements during the months of July, October, January, and April. Reports shall be submitted within 20 calendar days. See Section 11.3.

All evaluation information for the corresponding fiscal year should be reported for each objective no later than December 1 of the next fiscal year unless the

organization requests an extension in writing from the Department. Once finalized, evaluation information will be posted by the Department.

5.3 DMO PLAN REQUIRED DOCUMENTS

These documents must be signed by the authorized representatives and submitted with the annual DMO plan.

1. A copy of the motion approving the DMO plan passed by the current Board of Directors
2. Applicant's Certificate of Compliance
3. Current by-laws of the organization

Providing the above documents are submitted with the annual DMO plan, changes to DMO plan and budget may be submitted under the signature of the executive director of a DMO if authorized annually to do so in writing by the chair of the board of directors..

5.4 DMO PLAN NARRATIVE

Use the online application to complete your DMO plan narrative, budget chart and evaluation information, addressing the following topics and questions. Please refer to the DMO Handbook for guidance.

1. Describe your destination (who you are, who you wish to attract and why would they come) addressing your strengths, opportunities, and potential challenges.
2. Briefly describe how your destination aligns with the Montana brand.
3. What is the strategic role of your organization? (DMO strategy, select all that apply: Destination Marketing, Destination Management, Destination Stewardship, Destination Development).

Based on the strategic role you serve to your destination, provide the following information:

- a. Define your audience(s) (demographic, geographic and psycho-graphic)
- b. What research supports your DMO strategy?
- c. What are your emerging markets?
4. Define and describe your overall goals. A goal is an idea of the future or desired result that a person or group of people envisions, plans and commits to achieve.
 - a. Describe proposed tactics and projects as related to overall goals

and controlled by the organization in its financial statements.

5. Define and describe your overall objectives. Objectives are formed from your goals. They are logical, attainable steps to achieve the goals and are able to be measured.
 - a. Include the metric(s) you will use to measure the success of your objectives.
6. Complete the Budget Chart showing methods for achieving your objectives. See Section 5.5.

5.5 BUDGET & ELIGIBLE EXPENDITURES

Using the online application, submit your budget for each method proposed to achieve your Narrative Plan goals and objectives. Refer to the Appendix for allowable methods. Refer to the DMO Handbook for method descriptions and examples.

5.5.1 ELIGIBLE EXPENDITURES

The following are eligible expenditures for DMO plans.

1. Domestic and international messaging campaigns. Domestic can include destination resident and nonresident audiences. DMO messaging must pertain to marketing of experiences and/or management of the movement and behaviors of the visitor.
2. Advertising in print publications and digital assets funded by lodging tax.
3. Computers, software and audio-visual equipment required for implementation of a method.
4. Visitor Amenities such as VIC enhancements and improvements, visitor kiosks, visitor information, responsible recreation resources, cultural tourism, visitor signage and wayfinding, visitor amenities, and visitor restroom enhancements, etc. Please reference the Appendix for budget limits and additional guidelines.
5. Content development supporting all tactics/methods.
6. Contract and agency services.
7. Conventions, meetings, groups and event recruitment, promotion and subsidies/sponsorships. .
8. Database development and management.
9. Department or DMO approved VIC staff training and customer service training.
10. Destination marketing/management/stewardship plan development such as strategic planning and brand development. This includes related communication materials raising awareness of the organization mission, role, strategic plan and effectiveness in these efforts and support the overall industry.

11. Digital asset development (website/webpage development, mobile apps, maintenance/updates and hosting fees).
12. Education/outreach activities such as to training, workshops, community relations/outreach, professional development and support of educational entities such as Voices of Montana Tourism or similar organizations.
13. Familiarization tours (FAMs trips).
14. Film and television production and promotion.
15. Research which may include reports, conversion studies and focus groups, data analysis including, but not limited to, destination operating systems, visitor profiles, economic impact analysis, return on investment (ROI), destination brand research, website ROI, social media ROI and website usability.
16. Media and digital influencer trips.
17. Membership dues for Destinations International, U.S. Travel Association or similar destination marketing industry recognized programs.
18. Membership dues for organizations and associations which are required to implement a method or dues which will result in a quantifiable benefit greater than the cost of the membership.
19. Multi-media advertising methods such as: print (brochures, travel guides, signage); digital (online, display, and screen readers), broadcast (radio, TV), streaming, out-of-home, social media (organic and paid), email/newsletter marketing, search engine marketing and optimization (SEM/SEO - paid and organic), native advertising (sponsored content), remarketing/retargeting, video advertising.
20. Online support services such as Simpleview, CVENT, Meltwater, Cision, Submittable, Digital Asset Management platforms, etc.
21. Organization call center operations.
22. Development, production and distribution of physical material and digital/content including postage, shipping and handling.
23. Photo/video library and photo/video development and acquisition.
24. Promotion items and sweepstakes including forms to enter.
25. Publicity, earned media and communications.
26. Personnel related to publicity, marketing, sales and community outreach (costs can include gross wages for hours worked, paid time off, and employer state and federal taxes).
27. Promotion of event hosted by funded and/or cooperative partners, including development and marketing. Event attendees must include nonresident attendees to the destination where the event is held. Applies to Cooperative Marketing projects. Salaries of funded organization employees and general administrative costs excluded.
28. Travel trade sales programs for meetings, incentive, conferences and exhibitions.

foreign independent travel, group tours, weddings, reunions and other destination-based events.

29. Travel costs related to the attendance of the primary DMO contact at Tourism Advisory Council meetings, the official Department and DMO meetings, the annual Governor's Conference on Tourism & Recreation (transportation/mileage, meals and lodging only). Up to the state allowable amount in un-receipted expenses is allowable per day. Maximum daily amount is subject to change. Please contact Brand MT for current allowance. (See Section 12, Bookkeeping Regulations).
30. Travel, meals and lodging which are directly justifiable as a necessary component for the successful completion of an approved method. In-destination and out-of-destination (domestic and international) rules apply. See Handbook and Bookkeeping Regulations for details.
31. Travel/trade show attendance, participation, promotion and exhibition.
32. Visitor Information Center (VIC) funding for staffing (including gross wages for hours worked, paid time off, and employer state and federal taxes, state liability insurance for volunteers).

Methods not identified herein will be evaluated on a case-by-case basis by the Council.

5.5.2 INELIGIBLE EXPENDITURES

1. Any expenditure which is made prior to Council approval or final approval from the Marketing Plan Committee on behalf of the Council, regardless of eligibility or nature of the method.
2. Alcoholic beverages.
3. Financial sponsorships not related to enhancement of visitor experience or travel trade sales, except as allowed under Opportunity Marketing.
4. Organization/association dues, which are not required for implementation of a method.
5. Paid membership (dues) solicitation literature.
6. Purchase of land; purchase and/or construction of buildings that do not enhance the visitor experience. Infrastructure not owned and managed by a qualifying government entity, tribal government or nonprofit organization.
7. Items for resale.
8. Administration costs incurred by other organizations in the implementation of cooperative projects.
9. Disbursement of funds to other DMOs or entities that have not provided an allowable good or service.
10. Relocation information and services.

5.5.3 ALLOWABLE ADMINISTRATIVE EXPENDITURES

Up to, but not exceeding, 20% of the organization's new annual revenue may be designated to cover administrative expenses, which are identified below. New annual revenue shall be defined as any new lodging facility use tax collections that have not had administrative expenses deducted from it.

The intent of the administrative budget is to cover costs incurred in the implementation of approved methods funded by the lodging facility use tax.

1. Accountant fees.
2. Bank charges.
3. Employer paid benefits including bonuses, health care, 401k, saving plans.
4. Books and reference materials.
5. Commercial transportation tickets.
6. Equipment – such as adding machine, copying machine, phone, postage meter, camera, computer, peripheral equipment, software, Wi Fi Router, tablet,LCD projectors, etc.
7. Janitorial services.
8. Legal fees.
9. Maintenance contracts for equipment.
10. Meeting rooms.
11. Office supplies.
12. Postage.
13. Reasonable costs for coffee breaks during meetings of the board of directors (i.e., coffee, nonalcoholic beverages, doughnuts).
14. Registration fees for professional development.
15. Rent.
16. Salaries.
17. Storage.
18. Travel, meals and lodging which are directly justifiable as a necessary component for the successful completion of an approved method. Up to the state allowable amount un-receipted expenses is allowable per day. Maximum daily amount is subject to change. Please contact Brand MT for current allowance. (See Section 11, Bookkeeping Regulations)
19. Utilities, cell phone contracts, cloud data storage subscriptions.
20. Convention and/or Event Subsidies
21. VIC seasonal enhancements/beautification such as planter box
Items not included will be considered on a case-by-case basis annually by the Council.

5.3.2 ALLOWABLE VIC EXPENDITURES

Our purpose is to create a valuable and positive experience for the visitor.

Duties considered part of travel counselor manager/staffing funded with bed tax dollars may include but are not limited to:

1. Responding to tourism inquiries in an appropriate manner.
2. Compiling, inputting and disseminating data where appropriate regarding information on visitors, calendar of events, local hotels & other tourism businesses.
3. Making lists of businesses to contact about tourism concerns.
4. Researching information for guests.
5. Ordering, storing, or stocking brochures and maps from attractions/hotels, etc.
6. Maintaining the VIC area.
7. Conceiving and developing area wide tours and support materials for same.
8. VIC scheduling and payroll.
9. Participation in organization-approved hospitality and tourism customer service training and familiarization activities.

VIC staff should be knowledgeable of resources available for sharing and distribution of information relating to travel conditions and activities within their area and the state of Montana.

6. COUNCIL REVIEW & ACTION

Prior to the full Council meeting, the DMO plan and budget will be reviewed by the Marketing Committee of the Council. The Marketing Committee then recommends to the full Council to:

- Approve as submitted
- Approve with stipulations
- Resubmit with clarification
- Not approve based on eligibility or feasibility

The full Council and audience will be given the opportunity to discuss committee recommendations during Council meetings.

Organizations are notified in writing by the Chair of the Council of formal action by the Council, generally within two weeks.

All DMO plans are to be developed in the context of public involvement in the process and open meeting requirements.

6.1 CONSIDERATIONS IN DMO PLAN REVIEW PROCESS

Council will first consider if the DMO plan is complete and if methods and expenditures clearly fall within the list of eligible methods. (See section 5.5.1 for eligible expenditures). DMO plans will be reviewed against criteria such as outlined below.

1. Is the DMO plan narrative complete per the requirements in Section 5.4?
2. Does the strategic role of the organization align with the needs of the destination?
3. Do the overall goals and objectives meet the need of the audience(s) identified in the DMO plan?
4. Do the methods support the strategy, goals and objectives of the DMO plan?
5. Does the DMO plan have the potential to create or sustain tourism-related expenditures?
6. Does the DMO plan provide sufficient metrics for measuring results?

6.2 ENDING DATES

Methods which have been approved by the Council but are not underway by June 30 within that fiscal year will be considered closed by the Department.

Any fund balances which remain may be transferred to other marketing methods in that fiscal year or accrued for use the following year by notifying the Department. These balances will be verified by the Department at the time of the audit.

7. DMO PLANEVALUATION

DMOs shall provide evaluation information to the Department by December 1 of the next fiscal year. The Department reviews and approves evaluation information by January 1. The Department provides a status report to the Council. The Council may recommend action for non-compliance (see section 13 Actions for Non-Compliance).

Evaluations shall fulfill the requirements specified in these regulations and other requirements specified at the time of approval. Any additional requirements requested by the Council or Department in writing shall be met by the organization.

Using the online application evaluation section, please provide the following:

1. Narrative summary of the tactics and projects carried out to achieve your goals. Did you meet your goals?
2. Actual metric alongside the target metric for each objective. Did you meet your objective? Provide a brief explanation of the results.

3. Updated budget comparing approved budget amounts to actual expenditures for each method.

8. BIDDING AND REQUEST FOR PROPOSAL (RFP) PROCESS

Services purchased from sheltered workshops are exempt from competitive bidding laws; however, contracts are required.

8.1 SMALL PURCHASES

<u>GOODS AND SERVICES</u>	<u>\$0 - \$5,000</u>
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No competitive selection required and sole source without justification is appropriate. Although, a program may want to attempt to acquire quotes in order to get the best price and product. The **Total Contract Value** cannot exceed \$5,000

8.2 LIMITED SOLICITATION

<u>SERVICES</u>	<u>\$5,001 - \$25,000</u>	<u>GOODS</u>	<u>5,001 - \$50,000</u>
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Limited solicitation required – minimum of 3 written bids or responses. See DMO Resource Page for example.

1. All potential bidders shall receive identical project specifications in a standard format. This spec sheet is to be filed with the original bids.
2. Bid specs need to provide a closing date and time.
3. By law bids shall include delivery costs.
4. It is recommended that bids be presented to organization in a sealed envelope, to be opened at a specified time.
5. In no event may any bid be disclosed prior to the awarding of the bid.
6. The reciprocal preference shall be applied in awarding contracts. The reciprocal preference means that whatever amount of preference an out- of-state vendor may enjoy in their home state will be held against them when they submit bids in Montana. A list of applicable states is available at the State Procurement Bureau of the Department of Administration.
7. Bid shall be awarded to lowest, qualified bidder after taking into consideration the Montana Reciprocal Preference Law.
<http://www.mtrules.org/gateway/ruleno.asp?RN=2.5.408>
8. A bid may be rejected based upon product samples, provided that samples were requested in the request for bid. All samples shall be retained with bids, written documentation filed if low bid is not

accepted, and record shall be available for public inspection.

9. Employee travel costs and geographic location cannot be a determining factor in selection.
10. The original bid requests and responses shall remain on file at the organization office for five years.

8.3 FORMAL COMPETITION (RFP)

SERVICES

OVER \$25,000

8.3.1 REQUEST FOR PROPOSAL (RFP) REQUIREMENTS

Organizations, which annually pay costs for individual services of more than \$25,000, are required to select an agency or individual by a request for proposal (RFP) or bid process.

Organizations that choose to use an agency are required to select an agency or individual by a request for proposal process.

Contract can be for a minimum of one year with an annual renewal of up to six additional years.

RFP must meet the following requirements:

1. Notice RFP in legal section a minimum of one day in local newspaper covering your geographical area.
2. RFP must include the Evaluation Process.
3. Attach sample contract to RFP.
4. Allow 30 days for RFP responses from first day of public notice.
5. Minutes and attendance must be kept for each meeting.
6. Maintain a current list of interested persons and organizations.
7. Distribute all meeting notices within the notice period.
8. Noticed oral presentations must be open to the public and noticed a minimum of 48-hours in advance.
9. Notice evaluation committee meetings a minimum of 48-hours in advance.
10. Meetings of the evaluation committee that involve an evaluation process or competing offers where the award of a contract is being considered must be open to the public.
11. A quorum of the evaluation committee must be present to take any official actions.

12. Scoring sheets become public record.

GOODS PURCHASED OVER \$50,000 must follow the bidding process and receive full TAC approval prior to expending any funds.

9. FUND MANAGEMENT & FISCAL RESPONSIBILITIES

9.1 DISBURSEMENT OF FUNDS

Funds are released only for the total amount of Council-approved methods. All available funds not committed to approved methods are held at the Department for the organization until the funds are allocated to approved methods.

Funds are disbursed quarterly to all eligible organizations who have a Council approved annual DMO plan and budget and are based upon approved budget and available new revenue collected.

Funds may be withheld from organizations which fail to comply with the plan approved by the Council or with compliance/reporting regulations or fail to submit financial or evaluation reports in a timely manner.

Anticipated payment dates are the 25th of August, November, February, and June 10. Disbursements cannot exceed collections reported by the Department of Revenue.

9.2 BUDGET/FINANCIAL REGULATIONS

A separate financial account(s) and accounting record is to be established for all taxfunds. Funds expended in one fiscal year may not exceed the total amount approved by Council for all methods.

Organizations shall retain at the organization office all original receipts and invoices related to approved methods (as required in the annual contract). Expenditures, which cannot be substantiated by receipts, with the exception of per diem, are subject to repayment by the organization.

It is allowable to extend payments on approved methods with active status between fiscal years.

9.2.1 TRANSFER OF FUNDS

Funds may be transferred between approved methods providing the total budget of the organization is not exceeded and the method concept does not change. Department shall be notified in writing if concept does change. A review and a recommended action will be given by the Marketing Committee on behalf of the Council.

9.2.2 BUDGET PROJECTIONS

Budget projections are prepared by the Department based upon revenue generated during the previous year and anticipated growth for the coming year. The projected revenue amounts are provided only for planning purposes and are not guaranteed, therefore, up to 95% of projected annual revenue may be committed to the DMO plan approved by the Council.

9.2.3 BUDGET INCREASES

Upon notification of increased revenue, organizations may increase the current approved budget not to exceed the allowable percentages outlined in the allowable Administrative, Opportunity and Cooperative Marketing methods. A review and a recommended action will be given by the Marketing Committee on behalf of the Council. Approved budget increases by the Marketing Committee will be reported to the full Council at the next scheduled meeting.

9.2.4 INTEREST MONIES

Interest monies shall be retained in the tax account of the organization and can be used for eligible tourism promotion methods at the discretion of the organization. However, the organization shall present an accounting of interest monies, a delineation of expenditures, and samples of products at the time of audit. Up to 20% of interest accrued annually may be used for administrative costs.

10. COMPLIANCE REQUIREMENTS & REPORTING

10.1 CONTRACTS

Annually each organization enters into a contractual agreement with the Department.

This is necessary for the release of funds and specifies the responsibilities of each party. All state and federal laws shall be adhered to. Failure to comply with these Regulations & Procedures may result in penalties as specified in the organization's contract with the Department.

10.2 LETTER OF INTENT

Following approval of the annual DMO plan and annual budget by the Council, the authorized representative of the organization will receive a Letter of Intent from the Council Chair. This Letter of Intent shall be signed by the Authorized Representative (Refer to Section 2. Definitions/Terms) and returned to the Department. Signature acknowledges the stipulations, legal and contractual requirements, and regulations established by the Council relative to the use of lodging facility use tax revenue.

10.3 FINANCIAL REPORTS

Each fiscal quarter organizations shall submit QuickBooks or equivalent accounting software financial reports by the 20th of July, October, January, and April. Organizations which do not file required compliance reports by the required dates will not receive further payments until compliance reporting is current.

10.4 RECORDS RETENTION

DMOs shall retain all records relating to the contractual agreement with the Department for a minimum of three years following the Department's receipt and acceptance of the final evaluation for the corresponding fiscal year. Organizations shall adhere to all state and federal laws for the retention of records.

10.5 REGULATIONS & PROCEDURES REVIEW

At a minimum of every three years, or as needed, a committee of Council members and interested parties will be formed to perform a complete review of the Regulations & Procedures and bring recommended changes if any to the Council for their consideration.

10.6 AUDIT

All records shall be available for inspection at any time by authorized representatives of the Department, the Legislative Fiscal Analyst, or the Legislative Auditor. Organizations will be audited by the Department annually.

Audits will include a review of, but are not limited to, the following types of procedures:

1. Review of established financial procedures compliance, such as signing of checks, filing of original invoices, bids, use of petty cash, filing of void checks, reconciliation of bank statements, etc.
2. Verification that invoices specify services received for all expenditures.
3. Verification that any stipulations by the Council at the time of approval have been fulfilled.
4. Verification that all expenditures meet regulations and are assigned to the appropriate approved project.
5. Review of supporting information for Limited Solicitation for Bids and RFPs to verify adherence to Regulations.
6. Review of interest monies.
7. A complete financial summary of all lodging tax expenditures will be prepared which balances with tax revenue received, expended, and committed and uncommitted cash on hand.

8. Determination of committed funds and interest monies at fiscal year-end.
9. Violations or variances of regulations/contracts/requirements will be addressed by the Council. Repeated violations or variations could result in delay of funds disbursement. Please refer to Section 12 (Actions for Non-Compliance).

11. **BOOKKEEPING REGULATIONS**

PER THE TOURISM ADVISORY COUNCIL

1. Prior to compliance audit, organizations must ensure that 20% administration allowance has not been overspent based on actual new lodging tax payments between July 1 and June 30 of the budget year.
2. For every check, attach an invoice detailing purchase or services provided including check number and date paid. Checks/Invoices will be kept in the same order as the check register.

In some situations, an invoice may not be available. Here are some options:

- A. Conference registration -- copy your completed registration form and file.
 - B. Withholding, taxes -- copy the form you submit with payment.
 - C. Regular monthly payments, such as rent -- obtain a receipt.
3. If the organization has a contract, provide a copy of the contract at the time of audit.
 4. Use the current State approved travel expense forms or pre-approved form by Brand MT to reimburse eligible travel expenses. Itemize your trip and include the location, purpose and days of travel. Meal and mileage per diem is reimbursed at State rate at the time the expenditure occurred..

5.

Provide itemized receipts for expenses. In rare cases such as baggage fees and fuel charges, the itemized charge on the credit card statement is considered a sufficient invoice for reimbursement. The credit card statement shall list the company name, amount, and the services provided. Original hotel receipts are required. Up to the state allowable amount in un-receipted expenses is allowable per day. Maximum daily amount is subject to change. Please contact Brand MT current allowance.

Restaurants often do not give an itemized bill when paying by credit card. Organizations will simply need to request this. (Applies for FAMs, not your per diem.)

International travel - meals and lodging are reimbursed at full rate with reimbursement in US dollars. Itemized receipts for

international travel are required.

6. FAM / Media Trips - All invoices for FAM and media trip expenses shall include a list of names and affiliation of participants. If there are more than one invoice per FAM, attach the list to one bill only. On additional bills simply write "Participants -- see check #xxx." This includes FAMs in cooperation with The Department.
7. RFP Bids -- by regulations bids are to be on file in the organization's office, not the agency. Staple bids along with submitted specs and a copy of the vendor's invoice to the bill. Payment should be withheld from the vendor until bids, specs and invoices are received. See Section 9 (Bidding and Request for Proposal Processes) for more information.
8. Agency services – provide detail of services provided. If agency is paid hourly provide detail of service provided for work period. If paid by retainer, provide list of services provided during the billing period. (This information is also required as part of the evaluation process).
9. Records for cooperative projects between two or more funded organizations. Only one organization can have an original invoice. In these instances, one organization will have all originals; other organizations will have a copy with notation "Originals on file at _____." This procedure will also apply to bids.
10. Payment to independent contractors for fulfillment services shall include an itemization of services provided, i.e., number of packets prepared, or hours worked, etc.
11. Deposits other than state lodging tax revenue are to be noted in the checkbook or ledger identifying the source of funds.
12. Voided checks are to be filed in a consistent manner -- checkbook, bank statement, etc.
13. Non-compliance – If organizations do not comply with these bookkeeping regulations, the Executive Director and President/Chair of the organization will be sent a letter of reprimand from the Council Chair. The organization will be subject to non-compliance action. See Section 12 (Actions for Non-Compliance) for more information.

12. ACTIONS FOR NON-COMPLIANCE

Following the review of the annual audit by the Council, if an organization is found to be non-compliant with the requirements contained within this document, at a minimum, a warning letter from the Council Chair will be issued to the Organization and their President/Chair. Repeated violations or variations could result in delay of funds disbursement.

If the Council finds an organization to be non-compliant with the requirements contained within this document for the same or similar infraction within a 5-year period, the

Organization will be assessed, at a minimum, a 10% penalty on the total expenditures paid by the Organization for the item in question.

In egregious circumstances, at the discretion of the Council, if an organization is found to be non-compliant with the requirements contained within this document, a fine may be assessed up to, and including, full repayment of expenditures paid by the Organization for the item in question.

The Department has the authority to terminate the annual contract if an Organization is found to be non-compliant with the requirements contained within this document.

APPENDIX – ALLOWABLE METHODS

Please select from any or all of the following methods to complete the DMO Plan Budget. Items numbered 1-15 shall be entered into the online DMO Plan Budget, visible to the public. Lettered items shall only be tracked in the organization's profit and loss detailed spreadsheet for internal review by the DMO. Descriptions and bulleted items are guidelines for use of the method/tactic.

Funds may be transferred between approved methods providing the total budget of the organization is not exceeded and the method concept does not change. Department shall be notified in writing if concept does change. A review and a recommended action will be given by the Marketing Committee on behalf of the Council.

1. ADMINISTRATION

Up to, but not exceeding, 20% of the organization's new annual revenue may be designated to cover administrative expenses, which are identified in section 5.5.3. New annual revenue shall be defined as any new lodging facility use tax collections that have not had administrative expenses deducted from it. The intent of the administrative budget is to cover costs incurred in the implementation of approved methods funded by the lodging facility use tax.

2. JOINT VENTURES

The Department offers organizations the opportunity to partner in marketing projects (joint ventures) with the department and other lodging facility use tax funded entities. Organizations shall request approval of joint ventures budget from the council at the time of the approval of the DMO plan. Projects that are decided upon after the approval of the DMO plan shall be funded through (1) opportunity marketing, (2) as a new project, or (3) by transferring funds within the approved organization's budget into their joint venture line item.

3. OPPORTUNITY MARKETING

Organizations may use up to 10% of their total budget for Opportunity Marketing. These funds are then available to implement marketing methods which were unknown at the time the marketing plan was approved by the Council. Up to 50% of Opportunity funds may be committed to Convention and/or Event Subsidies. These methods should maximize the goals of the organization's marketing plan.

4. COOPERATIVE MARKETING

The DMO Cooperative Marketing program is designed to allow organizationsto promote an area or event on a cooperative basis with a nonprofit tourism-related organization. The intent of this program is to encourage the development of new or expanded marketing projects, thereby increasing the tourism appeal of the region or city.

- Organizations may use up to 20% of their total annual budget for Cooperative projects with other nonprofit, non-lodging facility use tax funded, tourism-related organizations or associations. Lodging facility use tax funded organizations may use cooperative funds but are not required to.
- At least 50% of the costs for a Cooperative project shall be financed by the nonprofit partner. Administrative and/or operational costs are not eligible for a match. Projects shall meet all regulations/ requirements established by the Council for organizations.
- See Bookkeeping Regulations (Section 11) for invoicing and payment requirements relating to Cooperative projects.
- Cooperative partners applying for regional/CVB funds shall have an active status as a nonprofit organization with the Montana Secretary of State or recognized tribal government or any recognized government organization.
- Regional/CVB organizations may provide up to, but not more than, 50% of any one line-item within a project. Under no circumstances may the Regional/CVB organization provide more than 50% of the total DMO plan budget or any line item within the project.
- Cooperative project funds are to be used solely for eligible expenses.
- Administrative expense is not eligible.
- In-kind services are not eligible to be matched.
- Cooperative projects shall have a total budget of at least \$500 or \$250 per participant.
- All regulations/rules/contracts to which Regional/CVB organizations shall adhere are relevant and required for the cooperative partner.
- Cooperative partners are to present original invoices to the Regional/CVB organization for payment. In the case of invoices in an amount of \$100 or less, the cooperating partner may pay the bill in full, and submit an original invoice and a copy of their canceled check documenting payment to funded organization for 50% reimbursement. Postage costs may also be reimbursed in this manner.
- Cooperative projects are not to be implemented until all requirements have been met.
- All Cooperative projects are subject to an annual review for compliance.
- Regional/CVB organizations may include additional regulations for eligibility to participate in their Cooperative program.

5. MARKETING PERSONNEL

Personnel related to publicity, marketing, sales and community outreach (costs can include gross wages for hours worked, paid time off, and employer state and federal taxes).

- A job description including the duties of marketing personnel should be on file at the organization.
- If an individual is compensated with lodging facility use tax funding for an administrative position and the marketing personnel position concurrently:
 - Compensation must be made on an hourly basis for administrative duties and marketing duties.
 - At the end of each pay period, to the payroll invoice, each organization is required to:
 - Attach a payroll summary showing the breakout of hours worked on administrative tasks versus marketing tasks during the pay period.
 - Attach a marketing report which includes the days or date ranges and number of hours worked and duties performed during the pay period.

6. AGENCY SERVICES

Advertising, consulting, or contract services for marketing or destination stewardship and development. If agency is paid hourly, provide detail of service provided for work period. If paid by retainer, provide list of services provided during the billing period.

7. MARKETING RESOURCES

Online Support Services (Subscriptions or memberships such as Simpleview, CVENT, Meltwater, Cision, Submittable, Digital Asset Management, etc.)

8. PAID MEDIA

A. Multimedia

Print advertising_(newspaper/magazine) and related campaign components.

Montana, spelled out in its entirety, shall appear at first glance on all print advertising.

Organizations are encouraged to include locator maps in print advertising if feasible.

Film and Television Production and Promotion. Examples include but are not limited to: film location and production, film industry trade shows, film and television project development and promotion, in-film inclusion sponsorship and/or subsidy.

B. Out of Home (OOH)

Billboards, airport dioramas - either traditional or electronic displays.
May be constructed as a Cooperative project provided appropriate
documentation has been submitted to the approved DMO prior to commitment
of funds. This could include contracts, permits, easements and maintenance
agreements.

C. Over the Top (OTT)

Streaming television services

D. Broadcast Media

Traditional Broadcast Advertising (TV & Radio)

- When appropriate, the word Montana shall be stated on all audio tracks produced which include speaking.
- A copy of the audio/video recording shall be on file at the organization.

E. Digital Advertising

Digital Content Marketing (News Feeds/Online Advertising)

- For electronic material that does not contain “pages” (i.e. online ads, etc.), “Montana,” spelled out in its entirety, must accompany or otherwise be integrated into the Organization’s name. For example, “Big Sky, Montana” or “Montana’s Missouri River Country.”
- All electronic projects shall conform to Section 508 of the Americans with Disability Act. It is the responsibility of the sponsoring organization to ensure compliance in cooperative projects.

F. Social Media

Paid placement on channels such as Facebook, YouTube, TikTok, etc.

DMOs should track social media campaign metrics for effectiveness.

G. Electronic Advertising (Direct Electronic Communications)

- Electronic newsletters may contain up to 25% paid advertising. Any revenue earned from ad sales on a lodging use tax funded project must first be applied towards the lodging use tax cost of that project.
- All database, email marketing must adhere to state, federal and international

content privacy and spam regulations. It is the responsibility of each organization to ensure compliance.

Email Marketing Best Practices

- Clearly communicate that you are requesting an email address for the purpose of sending information about your DMO.
- Send a confirmation email to those who have given their email addresses.
- Consider implementing double opt-in procedures (even though these are not required by CAN-SPAM).
- Every message must include opt-out instructions. Subscribers cannot be required to pay a fee, provide information other than their email address and opt-out preferences, or take any steps other than sending a reply email message or visiting a single Internet web page to opt-out of receiving future email from a sender. The sender must honor the opt-out request within 10 days.
- Use clear and accurate subject lines. You can use A/B testing to see what subject lines lead to the highest likelihood of recipients opening them.
- Create a checklist to ensure CAN-SPAM compliance (including opt-out/unsubscribe links, postal address, subject lines, to and from email addresses, etc.).

H. Digital Asset Acquisition and Management

- Purchase and storage of digital assets such as photographs, videos, documents, graphics, audio etc.

I. Sweepstakes/Promotional Items

- Items for free giveaway at special events, trade shows, contests, FAM, incentives, etc.
- Items should include brand affiliation and relevant website URL whenever possible.

9. EARNED MEDIA/TOURISM SALES

A. Media Trips

B. Familiarization Tours

C. Crisis Communications

D. Convention and Events Promotions, Subsidies

- Lodging facility use tax revenue can be used for the recruitment of in-state conventions and events only by CVBs with annual collections under \$500,000 and Regions with annual collections under \$1,000,000. Groups originating within the state of Montana must prove a majority of attendees travel from outside a 50-mile radius of the bidding city and the method must align with organization's DMO plan.
- Funds may be allocated if the RFP for the convention or event states a subsidy is a requirement for hosting the convention/event. If a subsidy is not a requirement for an RFP, funds may only be used to subsidize groups originating out-of-state except as defined below. Specifications shall be identified in the organization's RFP or stated on their letterhead.
- Direct cash subsidy to an organization and/or purchasing of alcohol is not allowable.
- Funds may only be used to support convention and/or events which have been provided an inclusive listing of those properties within the identified geographic collection area.
- Lodging facility use tax revenue can be used for subsidizing in-state conventions and events only by CVBs with annual collections under \$500,000 and Regions with annual collections under \$1,000,000. Groups originating within the state of Montana must prove a majority of attendees travel from outside a 50-mile radius of the bidding destination and the method must align with organization's marketing plan

10. WEBSITE DEVELOPMENT (ONLINE, WEBSITE, MOBILE)

- A minimum of three bids or an agency of record previously selected by the RFP process need to be obtained for digital projects that are over \$25,000 prior to awarding a project to a vendor. In addition to the price quotations, the vendor will be required to provide the Web addresses for at least two other completed projects. (This will allow an evaluation of the quality of work to be performed).
- Digital projects that are specific to categories such as film and conventions can list only businesses that service those categories. If a lodging facility fits within these categories and is not listed, the organization shall have documentation that the facility chose not to be listed.
- Digital projects shall only include activities and services that are beneficial to tourism promotion and film production/promotion as determined by the Marketing Committee. However, membership listings are allowable.
- Organizations are encouraged to use the Department's database and other resources for listing lodging facilities, outfitters and guides. All

lodging listings should include property name, address, phone number and web address if available. However, the data can be customized to meet your Organization's format.

- Privacy policy must adhere to State, Federal and International data protection regulations.

Privacy policy language is required on the organization's website and on any correspondence that solicits Personally Identifiable Information (PII). Personally Identifiable Information, as used in information security, refers to information that can be used to uniquely identify, contact, or locate a single person or can be used with other sources to uniquely identify a single individual. Examples of PII include but are not limited to name, address, phone numbers and email addresses. Confirmed opt-in is required for collection of email addresses and other PII used for marketing purposes. When a new subscriber asks to be subscribed to your mailing list a confirmation e-mail is sent to verify the subscriber. Users will not be added to the mailing list unless this explicit step is taken. This can be achieved by clicking a special web link or sending a reply e-mail. This ensures that no person can subscribe someone else out of malice or error.

11. EDUCATION / OUTREACH

Educational Programs, Trainings, Workshops, Conferences and Professional Development. Must be State sponsored VIC staff training or DMO approved customer service training.

Costs associated with attendance to TAC meetings, Governor's Conference on Tourism, board meetings, etc. Expenses related to support of educational partners such as Voices of Montana Tourism.

12. TRAVEL / TRADE SHOWS

Exhibit fees, display materials and promotions for direct-to-consumer or meeting & convention, or events.

- Any "opt in" leads from shows attended with funding from the lodging facility use tax revenue shall be made available to lodging facilities within the identified geographic collection area, if requested, at no charge in the format currently available. (Opting in" is the process by which a subscriber requests - by submitting his or her e-mail address and/or any other required information - to receive information and/or advertising via mail or e-mail from your company or organization.)
- All leads are subject to State, Federal and International privacy laws.

13. RESEARCH

Market and industry research, data collection or analysis of information that helps you better understand the tourism economy, target audiences, trends and market forces, among other industry information. Results should guide development of DMO services, programs and/or promotions. DMOs should first reference cost-neutral sources from Montana Institute for Tourism and Recreation Research (ITRR) or Department partnerships for available data or research services.

14. PRODUCT DEVELOPMENT

Development or implementation of visitor amenities that enhance the visitor experience. Up to, but not exceeding, 35% of the organization's annual budget may be designated to this method. The DMO is to assess the community's needs to enhance the visitor experience and all projects must have DMO board approval.

- Visitor Amenities include items such as VIC enhancements and improvements, visitor kiosks, visitor information, responsible recreation resources, cultural tourism, visitor signage and wayfinding, visitor amenities, visitor restroom enhancements, etc.
- Visitor Amenities must be owned by a qualifying government entity, tribal government, or nonprofit organization. Funds are not to be used for major construction, utilities or underground infrastructure.

15. VISITOR SERVICES

All VICs requesting funding shall be non-profit tourism related organizations.

- Every effort should be made for the VIC to be open at peak service hours between Memorial Day and Labor Day.
 - The lodging facility use tax revenue may be provided only to fund travel counselor manager/staffing.
 - Requests for funding should consider visitation figures and staffing for the previous two years of operation for the months that funding is being requested.
 - A job description for VIC staff should be on file at the organization.
 - VIC signage shall include the words "Visitor Information."
- A. VIC Staffing**
- B. Call Centers/Fulfillment**
- a) Call Center Services

b) Postage and Distribution

c) Print Collateral, Travel Guides (Production and Printing)

- Print costs less than \$5,000 are exempt from bidding requirements.
- Organizations shall include the line "Printed for free distribution" on print publications.
- Printing on recycled paper is encouraged.
- To distinguish from independent publishers, it is recommended that copyright and the source(s) of funding for DMO publications such as Official Travel Guides be included. i.e., "2022. Printed and/or distributed with Accommodation Tax, TBID, and Resort Tax funds."
- Montana, spelled out in its entirety, shall appear at first glance on all printed material.
- The word Montana and locator map shall appear on Region Travel Guides in the format and style provided by the Department.
- Organizations are encouraged to include locator maps in other print projects whenever possible.
- Any printed material, which contains paid advertising, shall maintain a ratio of at least 50% or more editorial versus 50% or less advertising. Any revenue earned from ad sales on a lodging use tax funded project must first be applied towards the lodging use tax cost of that project.
- Credit lines by publishers and printers may be included only on the inside of travel guides and the back panel of brochures. All other items are excluded.
- Credit lines can include only the business name in a point size (font) no larger than the lodging facility use tax credit line.

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