



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

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Table of Contents

1. MONTANA CODE ANNOTATED.....	4
2. DEFINITIONS/TERMS	7
3. ORGANIZATION ELIGIBILITY REQUIREMENTS.....	8
3.1 FORMING AN ORGANIZATION	8
3.2 CHANGE IN ELIGIBILITY BASED ON COLLECTIONS	8
4. OPEN MEETING REQUIREMENTS.....	9
5. ANNUAL MARKETING PLAN PROCESS	10
5.1 MARKETING PLAN DEVELOPMENT	10
5.2 KEY DATES.....	10
5.3 MARKETING PLAN REQUIRED DOCUMENTS.....	11
5.4 MARKETING PLAN NARRATIVE	11
5.5 BUDGET OVERVIEW	12
6. MARKETING SEGMENTS, STRATEGY, METHODS, BUDGETS, AND EVALUATION.....	13
6.1 MARKETING SEGMENT.....	13
6.2 STRATEGY AND MARKETING METHODS	13
6.3 BUDGET	13
6.4 MARKETING METHOD EVALUATION.....	14
7. COUNCIL REVIEW & ACTION.....	14
7.1 COUNCIL CONSIDERATIONS IN REVIEW PROCESS	14
7.2 METHOD EVALUATION CONSIDERATIONS.....	15
7.3 ELIGIBLE MARKETING EXPENDITURES.....	15
7.4 INELIGIBLE MARKETING EXPENDITURES.....	17
7.5 ALLOWABLE ADMINISTRATIVE EXPENSES.....	17
7.6 ENDING DATES	19
8. MISCELLANEOUS	19
9. BIDDING AND REQUEST FOR PROPOSAL (RFP) PROCESSES.....	20
9.1 SMALL PURCHASES	20
9.2 LIMITED SOLICITATIONS	20
9.3 FORMAL COMPETITION (RFP)	21
10. FUND MANAGEMENT & FISCAL RESPONSIBILITIES.....	22
10.1 DISBURSEMENT OF FUNDS.....	22
10.2 BUDGET/FINANCIAL REGULATIONS.....	22
11. COMPLIANCE REQUIREMENTS & REPORTING	23
11.1 CONTRACTS	23
11.2 LETTER OF INTENT	23
11.3 FINANCIAL REPORTS.....	24
11.4 ACTIONS FOR NON-COMPLIANCE	24
11.5 RECORDS RETENTION	24
11.6 REGULATIONS REVIEW	24
11.7 AUDIT	24
12. BOOKKEEPING REGULATIONS.....	25
13. APPENDIX A – VISITOR INFORMATION CENTERS	27
14. APPENDIX B - MARKETING SEGMENT EXAMPLES	28
14.1 Marketing Segment: Consumer.....	28

14.2	Marketing Segment Earned Media & Publicity	28
14.3	Marketing Segment: Group Marketing.....	29
14.4	Marketing Segment: Events	29
14.5	Marketing Segment: Film.....	30
14.6	Marketing Segment: Marketing Support	30
15.	APPENDIX C - MARKETING METHOD AND EVALUATION REQUIREMENTS	31
15.1	COLLABORATIVE MARKETING METHODS	31
15.2	MARKETING METHODS	32

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

1. MONTANA CODE ANNOTATED

MCA 2-15-1816 Tourism advisory council.

- (1) There is created a tourism advisory council.
- (2) 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).
- (3) 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.
- (4) 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.
- (5) The council may modify the tourism regions established by executive order of the governor.
- (6) 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.

MCA 15-65-121. (2017) Distribution of tax proceeds.

- (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)(g) 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. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and development account provided for in **22-3-1004**.
- (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, 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) 64.4% to be used directly by the department of commerce;
 - (e) (i) except as provided in subsection (2)(e)(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;

- (f) 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; and
 - (g) 2.6% to the Montana historical interpretation state special revenue account established in **22-3-115**.
- (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 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)(e) are statutorily appropriated to the entities as provided in **17-7-502**.
 - (6) The tax proceeds received that are transferred to the Montana historical interpretation state special revenue account pursuant to subsection (2)(g) 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 governing body of the regional tourism organization, and the top elected official of the governing body or the employed executive director/president of the city organization.

"Convention and Visitors Bureau" (CVB) 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 area district 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 Organization.

"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 regional/CVB organizations, which meet legal requirements and guideline requirements to be formally recognized by the Council.

"Region" 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

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.

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 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, city/county government, 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.

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 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 MOTBD 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 ineligibility will be provided by the TAC chair and MOTBD. 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.

After meeting the minimum annual threshold of collections for one calendar year hence, the organization may re-apply for eligibility. 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 governing body.

5. ANNUAL MARKETING PLAN PROCESS

5.1 MARKETING PLAN DEVELOPMENT

Region/CVB Resource Page <https://marketmt.com/TourismRegionsCVBs/Resources>

Prior to the release of any funds, organizations shall receive Council approval, on an annual basis of 1) a narrative marketing plan including marketing segments and methods and, 2) an annual budget.

The annual marketing 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, marketing or administrative, a representative may request approval from the Marketing Committee in writing.

Plans are to include the following elements.

1. Narrative.
2. Budget Overview.
3. Marketing Segments, Strategies, Methods and Budgets. See SECTION 13 for eligible marketing and administrative expenditures.
4. Marketing plans submitted are to have been approved by the governing body of the organization.
5. The plan will be presented at the June Council meeting. Funds will only be released upon approval at the June Council meeting.

Further information and details on the Narrative, Budget Overview and Marketing Segments, Strategies and Methods are contained on the pages that follow.

5.2 KEY DATES

The annual marketing 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.

Organizations shall submit a quarterly report on forms provided to organizations during the months of July, October, January, and April. Reports shall be submitted within 20 calendar days.

All method evaluation information for the corresponding fiscal year should be reported for each marketing segment and method no later than January 1 of the next fiscal year unless the organization requests an extension in writing from the Department.

5.3 MARKETING PLAN REQUIRED DOCUMENTS

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

1. Applicant's Certificate of Compliance
2. Application for Lodging Tax Revenue
3. Pledge of Understanding and Compliance & Signature to Submit

Additions or changes to marketing segments and methods may be submitted under the signature of the executive director of a regional tourism or CVB organization if authorized annually to do so in writing by the president. This authorization is to be submitted with the annual marketing plan.

5.4 MARKETING PLAN NARRATIVE

The following questions/topics shall be answered in the narrative portion of the marketing plan.

5.4.1 Community and Brand Support (Who are we?)

1. Describe your destination (who you are, who you wish to attract and why would they come) addressing your strengths, opportunities and potential challenges. How does your destination align with Montana's Brand pillars?
2. How will your marketing plan address the three phases of the travel decision process of inspiration, orientation and facilitation?
3. Who is your market?
 - a. Define your target markets (demographic, geographic and psychographic).
 - b. What are your emerging markets?
 - c. What research supports your target marketing?
4. Describe your overall Goals and Objectives.

A goal is an idea of the future or desired result that a person or group of people envisions, plans and commits to achieve

Objectives are formed from your goals. They are logical, attainable steps to achieve the goals and are able to be measured.

5.5 **BUDGET OVERVIEW**

1. Using the online application, provide a budget overview which includes the amount for each marketing segment and respective marketing method. (see Section 7.3 – Eligible Marketing Expenditures) Include administration in total budget. (see Section 7.5 – Allowable Administrative Expenses)
2. For the online application and marketing plan presentation in June, create one pie chart illustrating what percentage of your budget is being used in each marketing segment.
3. Increases in the overall budget and additional marketing methods must be approved by the TAC Marketing Committee on behalf of the full council prior to any expenditure. Approved budget increases by the Marketing Committee will be reported to the full Council at the next scheduled meeting.
4. Moving approved budget amounts between line items is allowed.
5. See Section 10 - Fund Management & Fiscal Responsibilities for more detail and quarterly financial reporting requirements.

6. MARKETING SEGMENTS, STRATEGY, METHODS, BUDGETS, AND EVALUATION

All Marketing Methods Used Shall:

1. Use the applicable online marketing plan tool.
2. At a minimum, adhere to the requirements found in Appendix C. If it is an entirely new method, the council may set requirements.
3. Support the marketing plan. Approval may be denied by the Council if it is not perceived to do so.
4. Be approved by the Council prior to the expenditure of lodging tax funds.

Use segments applicable to your goals

6.1 MARKETING SEGMENT

- Consumer
- Publicity
- Groups/Meetings & Conventions
- Events
- Film
- Marketing Support

The addition of new marketing segments is allowed upon request.

All marketing segments shall include the following:

- Sufficient detail so those reviewing can comprehend or visualize the full scope providing a full overview yet explicit, concise, and to the point.

6.2 STRATEGY AND MARKETING METHODS

See Appendix C for examples and requirements

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)
4. Methods used to implement strategy.
5. Provide a brief rationale and estimated budget for each method used.

6.3 BUDGET

For each marketing method used provide the amount budgeted using bed tax

funds and amount budgeted using non-bed tax funds. Including the amount of non-bed tax budgeted funding is optional.

6.4 MARKETING METHOD EVALUATION

1. Did you meet your objective - was your strategy successful? Yes/No Explain (Refer to Appendix B).
2. An updated budget comparing estimated budget amounts versus actual expenditures for each marketing segment and method.
3. An update of the pie chart illustrating what percentage of your budget was used in each marketing segment.
4. Any additional requirements requested by the Council or Department in writing shall be met by the organization.

7. COUNCIL REVIEW & ACTION

Prior to the full Council meeting, the marketing plan and budget will be reviewed by the Marketing Committee of the Council. 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 Marketing Plans are to be developed in the context of public involvement in the process and open meeting requirements.

7.1 COUNCIL CONSIDERATIONS IN REVIEW PROCESS

Council will first consider if marketing plan is complete and if marketing methods and expenditures clearly fall within the list of eligible marketing methods. (see Pages 14-15 for eligible marketing expenditures.) Marketing methods will be reviewed against criteria such as outlined below.

1. Does the method support the goals and objectives of the approved marketing plan?
2. Does the method reach potential visitors outside of the vicinity being promoted?
3. Does the method meet a need of the traveling public?
4. Does this method deliver important information to the potential traveler?

5. Does this method stand on its own merit? (That is, would you pursue implementing it if only private funds were available, not tax dollars?)
6. Does the method have the potential to create or sustain tourism-related expenditures?
7. Does the method complement or enhance existing methods/programs and the approved marketing plan of the organization?
8. Does market research or previous experience support this type of method as viable?

7.2 METHOD EVALUATION CONSIDERATIONS

Some marketing methods used are for image and awareness building and are not measurable. If this is the case, what indicators were used to track success? All other marketing methods should include evaluation techniques that are measurable and quantifiable. The evaluation should have a basis to continue, discontinue or modify the marketing method.

Method evaluation information shall be provided at the conclusion of the marketing method and/or the evaluation period. All method evaluation information for the corresponding fiscal year should be reported for each marketing segment and method no later than January 1 of the next fiscal year unless the organization requests an extension in writing from the Department.

Method evaluations shall fulfill the requirements specified in these regulations and other requirements specified at the time of approval.

7.3 ELIGIBLE MARKETING EXPENDITURES

See APPENDIX C for requirements

1. Webpage/website development including hosting fees.
2. Domestic and international advertising campaigns including but not limited to print, digital, broadcast, out-of-home and social media.
3. Marketing plan development including strategic planning and brand development. Strategic planning is a systematic process of envisioning a desired future and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them.
4. Market research, which may include conversion studies and focus groups; industry experts; outreach and educational entities such as Voices of Montana Tourism.
5. Content Development including and not limited to Film/video written and digital content and related promotion.
6. Direct mail and digital promotion campaigns including development and distribution costs.

7. Public Relations and earned media.
8. Publicity and marketing personnel costs can include gross wages for hours worked, paid time off, and employer state and federal taxes.
9. Familiarization Tours - commonly known as FAM Trips - are trips organized by travel providers (can be a Tour Operator, an Airline, a Hotel Chain, a Tourism Board or other DMOs representing a Destination, etc.) with the purpose of educating about their products & services and promoting them.
10. Consumer travel or travel trade shows including promotional items.
11. Marketing display.
12. Solicitation to businesses or groups for conventions, events and meetings in Montana.
13. Convention and/or event subsidies.
14. Special events promotion.
15. Visitor information center (VIC) staffing including gross wages for hours worked, paid time off, and employer state and federal taxes. State liability insurance for volunteers. Signage.
16. State sponsored VIC staff training. DMO approved customer service training.
17. Computers, software and audio-visual equipment required for implementation of a marketing method.
18. Brochures, travel guides, image pieces, maps.
19. Contracted services for distribution costs.
20. Distribution costs with non-bed tax funded chambers.
21. Infrastructure that has the potential to increase the number of visitors or to extend visitor stays. This shall be targeted toward visitors outside the local community.
22. 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 of \$24.99 in un-receipted expenses is allowable per day -- for example cab/taxi fare, set up assistance costs, tipping for food and beverage, housekeeping, baggage handling and guides. If it's under the state allowable in un-receipted expenses a receipt is not needed; over the state allowable in un-receipted expenses requires a receipt. Every un-receipted expense shall be itemized with the amount. Maximum daily amount is subject to change. Please contact Montana Office of Tourism and Business Development for current allowance. (See Section 12, Bookkeeping Regulations)
23. Organization/association dues, which are required to implement a marketing method or dues which will result in a marketing savings greater than the cost of the membership.

24. Attendance at Tourism Advisory Council meetings, the annual Marketing Plan meeting with the Department and the annual Governor's Conference on Tourism & Recreation by the primary Region/CVB contact with the Department (transportation/mileage, meals and lodging only).
25. Membership for Destination International or similar destination marketing industry recognized programs.
26. Marketing methods not identified herein will be evaluated on a case-by-case basis by the Council.

7.4 INELIGIBLE MARKETING 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, except as allowed under Opportunity Marketing.
4. Organization/association dues, which are not required for implementation of a method.
5. Membership solicitation literature.
6. Purchase of land; purchase and/or construction of buildings.
7. Items for resale.
8. Operation of events, except as allowed under Opportunity Marketing.
9. Program booklets, entry forms.
10. Administration costs incurred by other organizations in the implementation of cooperative projects.
11. Disbursement of funds to other promotional entities.
12. Radio/television/newspaper advertising that is primarily limited to the community of the event is not eligible.
13. Relocation information and services.

7.5 ALLOWABLE ADMINISTRATIVE EXPENSES

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 marketing 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, iPads, LCD projectors.
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 governing body (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 of \$24.99 in un-receipted expenses is allowable per day -- for example cab/taxi fare, set up assistance costs, tipping for food and beverage, housekeeping, baggage handling and guides. If it's under the state allowable in un-receipted expenses a receipt is not needed; over the state allowable in un-receipted expenses requires a receipt. Every un-receipted expense shall be itemized with the amount. Maximum daily amount is subject to change. Please contact Montana Office of Tourism and Business Development for current allowance. (See Section 12, 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 boxes.

Items not included will be considered on a case-by-case basis annually by the TAC.

7.6 ENDING DATES

Marketing 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 segments 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.

8. MISCELLANEOUS

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.

Any material being distributed with lodging facility use tax funds shall meet the required criteria.

9. BIDDING AND REQUEST FOR PROPOSAL (RFP) PROCESSES

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

9.1 SMALL PURCHASES

GOODS AND SERVICES **\$0 - \$5,000**

No competitive selection required and sole source without justification is appropriate, although a program may want to try and get some quotes in order to get the best price and product the **Total Contract Value** cannot exceed \$5,000

9.2 LIMITED SOLICITATIONS

SERVICES **\$5,001 - \$25,000** **GOODS** **\$5,001 - \$50,000**

Limited solicitation required – minimum of 3 written bids or responses. See Region/CVB 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.

9.3 **FORMAL COMPETITION (RFP)**

SERVICES

OVER \$25,000

9.3.1 **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.

10. FUND MANAGEMENT & FISCAL RESPONSIBILITIES

10.1 DISBURSEMENT OF FUNDS

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

Funds are disbursed quarterly to all eligible organizations who have a Council approved annual marketing 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 marketing segment and method 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.

10.2 BUDGET/FINANCIAL REGULATIONS

10.2.1 GENERAL

A separate financial account(s) and accounting record is to be established for all tax funds.

Funds expended in one fiscal year may not exceed the total amount approved by Council for all marketing segments and methods.

Organizations shall retain at the organization office all original receipts and invoices related to approved marketing segments and 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.

10.2.2 TRANSFER OF FUNDS

Funds may be transferred between approved marketing segments and methods providing the total budget of the organization is not exceeded and the marketing segment or 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.

10.2.3 BUDGET PROJECTIONS

Budget projections for marketing and administration 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 marketing plan approved by the Council.

10.2.4 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.

10.2.5 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.

11. COMPLIANCE REQUIREMENTS & REPORTING

11.1 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 Rules & Regulations may result in penalties as specified in the organization's contract with the Department.

11.2 LETTER OF INTENT

Following approval of the annual marketing 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.

11.3 FINANCIAL REPORTS

Organizations shall submit a quarterly report on forms provided to organizations during the months of July, October, January, and April. Completed reports shall be returned within 20 calendar days. Organizations which do not file required compliance reports by the required dates will not receive further payments until compliance reporting is current.

11.4 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.

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.

11.5 RECORDS RETENTION

Regional/CVB organizations 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 marketing method evaluation for the corresponding fiscal year. Organizations shall adhere to all state and federal laws for the retention of records.

11.6 REGULATIONS REVIEW

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

11.7 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 should anticipate an audit by the Department annually.

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

1. Review of established office procedures -- 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.

Addendum to the Regulations and Procedures for Regional/CVB Tourism Organizations
Use of Lodging Tax Revenue

12. BOOKKEEPING REGULATIONS

PER THE TOURISM ADVISORY COUNCIL

1. For every check have an invoice. On that invoice, write the check number and date paid and file in order of payment.

In some situations, an invoice just doesn't exist. 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.
2. If you have a contract, provide a copy of it at the time of audit.
 3. Use the current State approved travel expense forms or pre-approved form by MOTBD to reimburse eligible travel expenses. Itemize your trip and include the location, purpose and days of travel.
 4. Travel advances -- for reimbursement please summarize in one area, as follows:

Advance	\$xxxxxx
Itemized expenses	\$yyyyyy
Employee owes organization	\$zzzzzz

OR Employee receives \$zzzzzz

5. An itemized list of expenses with invoices shall be attached.
6. Provide itemized receipts for expenses. In rare cases such as baggage fees and fuels charges, the itemized charge on the credit card statement is considered a sufficient invoice for reimbursement. It shall list the company name, amount, and the services provided. Original hotel receipts are required. Up to the state allowable of \$24.99 in un-receipted expenses is allowable per day -- for example cab/taxi fare, set up assistance costs, tipping for food and beverage, housekeeping, baggage handling and guides -- if it's under the state allowable in un-receipted expenses a receipt is not needed; over the state allowable in un-receipted expenses requires a receipt. Every un-receipted expense shall be itemized with the amount. Maximum daily amount is subject to change. Please contact Montana Office of Tourism and Business Development for current allowance.

Restaurants often do not give an itemized bill when paying by credit card. You will simply need to request this. (Applies for FAMs, not your per diem.)
7. All invoices for FAM expenses shall include a list of name and affiliation of participants. If you have more than one invoice per FAM, attach to one bill only. On additional bills simply write "Participants -- see check #xxx." This includes FAMs in cooperation with The Department.
8. International travel - meals and lodging are reimbursed at full rate with reimbursement in US dollars. Itemized receipts for international travel are required.
9. Bids -- by regulations these are to be on file in the organization's office, not the agency. Staple bids along with submitted specs and a copy of the printer's invoice to the bill. If you hold payment until you have these items in hand from the agency or printer, it will make life easier at audit time.
10. Invoices need to separate out all costs associated with the marketing method including production, placement, shipping costs as examples. For example - you get a request for photos and use Fed Ex to send out. Your Fed Ex expense is not allowable within the approved marketing method because shipping and postage were not requested, however the charges are eligible under administration or postage.
11. Ad 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).
12. Cooperative projects between two or more funded organizations. Obviously, only one organization can have an original invoice. Please just be consistent - one organization will have all originals; other organizations will have a copy with notation "Originals on file at _____." Same procedure on bids.
13. Payment to independent contractors for fulfillment services shall include an itemization of services they provide, i.e., number of packets prepared, or hours

worked, etc.

14. Deposits other than state lodging tax revenue are to be noted in the checkbook or ledger identifying the source of funds.
15. Void checks are to be filed in a consistent manner -- checkbook, bank statement, etc.
16. Per diem is reimbursed at state rate at the time the expenditure occurred.
17. Mileage is reimbursed at state rate at the time the expenditure occurred.

13. APPENDIX A – VISITOR INFORMATION CENTERS

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 / stocking brochures and maps from attractions/hotels, etc.
6. Maintaining the VIC area.
7. Conceiving / developing area wide tours and support materials for same.
8. VIC scheduling / 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.

14. APPENDIX B - MARKETING SEGMENT EXAMPLES

See Appendix C for Marketing Method examples

14.1 Marketing Segment: Consumer

Examples:

- Website Development/updates
- Social Media
- Photo/Video Library
- Mobile Apps
- Travel Shows
- Print, digital and multi-media marketing

Strategy

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful - Yes/No
Explain

14.2 Marketing Segment: Earned Media & Publicity

Examples:

- PR/Communications Personnel
- Reactive Media
- Proactive Media/FAM Trips

Strategy

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful Yes/No
Explain

14.3 Marketing Segment: Group Marketing

Group Tours & Meetings and Conventions

Examples:

- Web site development/Updates
- Trade Shows
- FAM Trips
- Print, digital and multi-media marketing
- Social media
- Sponsorship

Strategy

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful - Yes/No
Explain

14.4 Marketing Segment: Events

Examples:

- Broadcast media
- Print, digital and multi-media marketing
- Social media
- Sponsorship

Strategy

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful - Yes/No
Explain

14.5 Marketing Segment: Film

Example

- Trade Show

Strategy:

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful - Yes/No
Explain

14.6 Marketing Segment: Marketing Support

Examples:

- Telemarketing/Call Center/Collateral Distribution Support
- Visitor Information Center Funding
- Opportunity Marketing

Strategy

1. Narrative describing your strategy.
2. Describe supporting research/statistics to the extent it's available.
3. How do you plan to measure success? (Include baseline information if applicable.)

Methods used to implement strategy

Provide a brief rationale for each method used.

Budget

Provide an estimated budget for each method used.

Marketing Method Evaluation

Did you meet your objective - was your strategy successful - Yes/No
Explain

15. APPENDIX C - MARKETING METHOD AND EVALUATION REQUIREMENTS

15.1 COLLABORATIVE MARKETING METHODS

15.1.1 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.

15.1.2 COOPERATIVE MARKETING

The Regional/CVB Cooperative Marketing program is designed to allow organizations to 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 Marketing 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 marketing and production costs for a Cooperative Marketing 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 12) for invoicing and payment requirements relating to Cooperative projects.

15.1.2.1 PROGRAM REQUIREMENTS

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 marketing budget or any line item within the project.

Cooperative Marketing funds are to be used solely for marketing projects.

Administrative expense is not eligible.

In-kind services are not eligible to be matched.

Cooperative marketing 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.

1. Cooperative Marketing projects are not to be implemented until all requirements have been met. All Cooperative Marketing projects are subject to an annual review of compliance.
2. Regional/CVB organizations may include additional regulations for eligibility to participate in their Cooperative Marketing program.

15.1.3 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 annual marketing plan. Projects that are decided upon after the approval of the annual marketing plan shall be funded through opportunity marketing, as a new project, or by transferring funds within the approved organization's budget into their joint venture line item.

15.2 MARKETING METHODS

15.2.1 Digital Development (online, website, mobile)

Method Requirements:

1. 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).
2. 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.

3. Since the law states that revenue shall be used for “tourism promotions and promotion of the state as a location for the production of motion pictures and television commercials,” 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.
4. 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.
5. Organizations are to use listing data provided on the Department’s website. Facilities with a lodging accommodations tax id number must claim and maintain their listings on the Department’s website in order to be included in marketing methods the employ listings. The Organization will provide assistance to facilities within their geographic area wishing to create a listing.
6. Privacy policy language is required on the organization’s website and on any correspondence that solicits Personally Identifiable Information (PII). Personally Identifiable Information (PII), 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 it was really them. 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 back a reply e-mail. This ensures that no person can subscribe someone else out of malice or error.
7. Privacy policy must adhere to State, Federal and International data protection regulations. All new websites developed should be mobile-friendly.
8. Any Internet pages/sites developed for funded Regions or CVBs utilizing lodging facility use tax funds may be hosted/maintained on one of the Department’s servers.

Organizations that do not host their web site with the Department will be required to:

1. All hosting networks will adhere to the Risk Management Framework outlined in the National Institute Standards and Technology. <https://csrc.nist.gov/publications/PubsDrafts.html#SP-800-39>.

Organizations that host their web site with the Department will be required to follow State of Montana policy. These regulations are applicable for the development of new pages/sites.

1. Regions or CVB's who have already implemented WWW sites using lodging facility use tax monies have the option of moving their sites to the Department's server, but will not be required to do so.
2. Development shall conform to Section 508 of the Americans with Disabilities Act <https://mt.gov/discover/disclaimer.asp#accessibility>, and the Montana State Internet & eGovernment policies including approved exceptions through the Department. If exceptions are granted to these policies to the Department, then the exceptions may also include the organizations. This requirement will still allow the use of local vendor.
3. State of Montana policy does not allow any advertising on Internet pages/sites hosted with the Department. Hot links and specific offerings will be allowable.
4. The Department will host these pages/sites at no charge. Content created for placement on the Department's server can be placed on other servers.
5. The Department requires a minimum of 10 business days to post new page content/changes upon receipt from developers. New websites shall require a minimum of 15 business days to post.

Evaluation Requirements:

1. A short description of the site/page.
2. Marketing methods shall be evaluated by the means outlined in the marketing plan.
3. Provide a screenshot of your home page.
4. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.2 Digital Content Marketing Electronic/Digital Material (Digital Newsletters/Online Advertising)

Examples include:

- Display Advertising – visual ads that appear on third party websites
- Social Media Advertising – paid and organic
- Search Engine Marketing and Optimization (SEM/SEO) – paid/organic keywords
- Native Advertising – sponsored content
- Remarketing/Retargeting
- Video Advertising
- Email Marketing
- Database Development and Management

Method Requirements:

1. 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.”
2. Organizations are to use listing data provided on the Department’s website. Facilities with a lodging accommodations tax id number must claim and maintain their listings on the Department’s website in order to be included in marketing methods that employ listings. The Organization will provide assistance to facilities within their geographic area wishing to create a listing.
3. 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.
4. Electronic messages that are specific to categories such as film and conventions shall only list businesses that service those target markets. Organizations are encouraged to include locator maps or electronic mapping whenever possible.
5. 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.
6. Hyperlinks are allowed.
7. 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.

Evaluation Requirements:

1. A copy of the electronic newsletter that was sent as well as the number of people it was sent to.
2. All online digital advertising shall be evaluated by the means outlined in the marketing plan.
3. Online digital ads shall include print or digital copies of the digital advertisements, click-through rates and number of delivered impressions.
4. Description and examples of paid and organic search methods.
5. Number of active contacts in database.
6. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.3 Paid Advertising on Websites Developed and Hosted using Lodging Tax

Method Requirements:

1. Any Organization that uses lodging tax for website development and hosting must first apply earned revenue toward the actual amount of lodging tax expended for development and hosting.
2. Paid advertising is not allowed on any site hosted by the State of Montana.
3. Pop-ups and Cost-per-action (CPA) affiliate programs are not allowed. Cost-per-action affiliate programs are similar to Google AdSense. They are free programs that enable website publishers of all sizes to display ads and earn revenue from clicks and impressions.

Evaluation Requirements:

1. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.4 Digital Content Marketing Electronic/Digital Material (Digital Newsletters/Online Advertising)

Method Requirements:

1. 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.”
2. Organizations are to use listing data provided on the Department’s website. Facilities with a lodging accommodations tax id number must claim and maintain their listings on the Department’s website in order to be included in marketing methods that employ listings. The Organization will provide assistance to facilities within their geographic area wishing to create a listing.
3. 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.
4. Electronic messages that are specific to categories such as film and conventions shall list only businesses that service those categories. Organizations are encouraged to include locator maps whenever possible.
5. Electronic Newsletters may contain up to 25% 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.
6. Hot links are allowed.

Evaluation Requirements:

1. A copy of the electronic newsletter that was sent as well as the number of people it was sent to.
2. All electronic advertising shall be evaluated by the means outlined in the marketing plan.
3. Banner ads shall include printed copies of the banner advertisements, click-through rates and number of impressions.
4. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.5 Electronic Advertising for Sites NOT Hosted with the Department

Method Requirements:

1. A maximum of 25% of each website is allowed for 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.
2. Pop-ups and Cost-per-action (CPA) affiliate programs are not allowed. Cost-per-action affiliate programs are similar to Google AdSense. They are free programs that enable website publishers of all sizes to display ads and earn revenue from clicks and impressions.

Evaluation Requirements:

1. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.6 Print Advertising

Method Requirements:

1. Print advertising budget shall separate creative costs from placement costs.
2. Montana, spelled out in its entirety, shall appear at first glance on all print advertising.
3. Organizations are encouraged to include locator maps in print advertising if feasible.

Evaluation Requirements:

1. Copy of ad
2. All print ads shall be evaluated by the means outlined in the marketing plan.
3. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.7 Traditional Broadcast Advertising (TV & Radio)

Method Requirements:

1. Broadcast advertising projects shall include:
 - area of coverage
 - length of spot and frequency.
2. Broadcast media projects shall list production costs and placement costs separately. When appropriate, the word Montana shall be stated on all audio tracks produced which include speaking.
3. A copy of the audio/video recording shall be on file at the organization.

Evaluation Requirements:

1. Affidavits of media purchased on file at the organization.
2. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.8 Out-of-Home Advertising

Method Requirements

Billboards may be constructed as a Cooperative Marketing project provided the following documentation has been submitted to the approved Regional/CVB organization prior to commitment of funds (as referenced in out-of-home marketing (add section number here)).

- Written approval from the Department of Transportation for location.
- Written permission from landowner to construct a board.
- Signed agreement from the funding entity on method of maintenance.

Evaluation Requirements:

1. Photo or layout of finished product.
2. Include the most recent traffic counts if available.
3. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.9 Social Media

Method Requirements

Social media campaigns must include measurable means to evaluate, including goals based on metrics such as number of followers in audience, engagement (likes, shares, mentions views), impressions, subscribers, readership and unique views.

Examples include:

- Social networking (Facebook, LinkedIn, Google+).
- Microblogging (Twitter, Tumblr).
- Blogging (Organization branded and maintained blog).
- Photo sharing (Instagram, Snapchat, Pinterest).
- Video sharing (YouTube, Facebook Live, Vimeo).

Evaluation Requirements:

1. All social media shall be evaluated by the means outlined in the marketing plan.
2. How does using the social media channel/site extend your marketing reach?
3. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.10 Film and Television Production and Promotion

Examples include:

1. Film location and production
2. Trade shows
3. Film and television project development and promotion
4. In-film inclusion sponsorship/subsidy

Method Requirements:

1. Montana, spelled out in its entirety, shall appear at first glance on all visual media and shall be stated on the sound track.
2. Distribution plan shall be included in method.

Evaluation Requirements:

1. One copy on file at organization office.
2. Film location project description, production company, impact to local community, if known.
3. Number of attendees at trade show/film promotion event.
4. Qualification of contacts by level of interest in Montana, your region or community. Was this a joint venture with Montana Film Office? If so, give a brief summary.
5. Viewership and distribution of film project – direct and indirect including earned ad value, if known.
6. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.11 Trade Show Promotion

Method Requirements:

1. 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.)
2. All leads are subject to state, federal and international privacy laws.

Evaluation Requirements:

1. Number of attendees.
2. Method used to distribute leads locally.
3. Qualification of contacts by level of interest in Montana, your region or community.
4. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.12 Consumer Exhibiting

Method Requirements:

1. 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.)
2. An estimated quantity and cost per item for giveaway items shall be included with the budget.

Evaluation Requirements:

1. Number of attendees.
2. List of brochures and number of each brochure distributed, or inquiry cards collected.
3. Evaluation by staff concerning interest level of attendees, if repeat attendance is or is not recommended and why.
4. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.13 Marketing Display

Evaluation Requirements:

1. Photo of the display.
2. Listing of uses during the first year.
3. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.14 Portable Media

Method Requirements:

1. Portable Media duplication costs of less than \$5,000 are exempt from bidding requirements.
2. Montana, spelled out in its entirety, must appear in the file name of the media device or introductory file of portable media content.
3. Any portable media which contains paid advertising must 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.

Evaluation Requirements:

1. One final product of the portable media shall be retained on file at the organization.
2. All portable media shall be evaluated by the means outlined in the marketing plan.
3. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.15 Printed Material

Method Requirements:

1. Print costs less than \$5,000 are exempt from bidding requirements.
2. Printed material projects shall separate production costs from printing costs and include print specifications:
 - size
 - quantity
 - distribution plan (areas and method)
 - percentage of advertising versus editorial
3. Organizations shall include the line "Printed for free distribution" on print publications.
4. As required by state law, 95% of all printing, paper and paper products shall maximize the use of recycled fiber. The use of the recycled symbol or the language "Printed on recycled paper is encouraged.

5. To distinguish from independent publishers, it is recommended that copyright and the source(s) of funding for publications such as Official Travel Guides be included. i.e. "2019. Printed and/or distributed with Accommodation Tax, TBID, and Resort Tax funds."
6. Montana, spelled out in its entirety, shall appear at first glance on all printed material.
7. The word Montana and locator map shall appear on Region Travel Guides in the format and style provided by the Department.
8. Organizations are encouraged to include locator maps in other print projects whenever possible.
9. 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.
10. Any printed piece, which provides a free listing of lodging facilities (i.e. hotels/ motels, campgrounds), shall solicit listings of those properties with a lodging facility use tax identification number within the identified geographic collection area. Evaluation Requirements:

Evaluation Requirements:

1. One final product shall be retained on file at the organization and a .pdf version shall be submitted with Evaluation Report.
2. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.16 Publicity

Evaluation Requirements:

1. List of press releases, pitch sheets and/or samples.
2. List of earned media received.
3. One final product to be kept on file at the Organization. When possible, include links to online stories, articles and social media posts.
4. For reactive press trips provide list of media including the name of media and/or digital influencer, include the assignment if available.
5. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.17 Publicity/Marketing Personnel

Method Requirements:

1. Up to date Job Description.
2. If an individual is compensated with lodging facility use tax funding for an administrative position and the publicity/marketing personnel position concurrently:
 1. Compensation must be made on an hourly basis for administrative duties and publicity/marketing duties.
 2. 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 publicity/marketing tasks during the pay period.
 - Attach a publicity/marketing report which includes the days or date ranges and number of hours worked and duties performed during the pay period.

Evaluation Requirements:

1. Attach an annual publicity/marketing report which includes the days or date ranges and number of hours worked and duties performed during the pay period.
2. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.18 Press and Familiarization (FAM) Tours

Evaluation Requirements:

1. List of participants and affiliation.
2. Itinerary.
3. List of earned media generated by press trip
4. One final product to be kept on file at Organization. When possible, include links to online stories, articles and social media posts.
5. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.19 Visitor Information Centers (VIC)

Method Requirements:

1. All VICs requesting funding shall be non-profit tourism related organizations.
2. If the VIC currently exists, it shall be open at a minimum of 24 hours per week or a total of 300 hours within the Memorial Day to Labor Day time

period. The lodging facility use tax revenue may be provided only to fund travel counselor manager/staffing. (For examples of travel counselor manager/staffing see Appendix A.) Requests for funding shall be accompanied by visitation figures and staffing for the previous two years or the first year of operation for the months that funding is being requested.

3. If a VIC is new, the VIC shall be staffed at a minimum by one travel counselor for a minimum of 24 hours per week or a total of 300 hours within the Memorial Day to Labor Day time period. Funding may be requested for travel counselor manager/staffing only. (For examples of travel counselor manager/staffing see Appendix A.) Requests for funding shall include anticipated visitation figures for the funding period and method used to estimate visitation.
4. The VIC will be responsible for an evaluation at the end of the staffing period if they wish to apply for funding in the future. Funding may be reduced or denied the following year based upon program evaluation with a full summary detailing the circumstances around the decision.
5. VIC signage shall include the words "Visitor Information."

Evaluation Requirements:

1. Total number of visitors during the funding period.
2. Number of visitors from the top 10 states or points of origin.
3. Funding for VICs shall include a summary of total hours open and hours which are funded by lodging tax.
4. Postage reimbursements to unfunded chambers shall include post office receipts and breakdown of mailings -- bulk, first class, etc. This is to be used in response to travel inquiries, not other chamber business. Additionally, the top five states requesting information should be documented.
5. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.20 Customer Service Training

Method Requirements:

Must be State sponsored VIC staff training or DMO approved customer service training.

Evaluation Requirements:

1. The total number of sessions and number of attendees in the area or region should be included.
2. Assess the results of this method and explain whether you will or will not

continue using this marketing method and why.

15.2.21 Convention Promotion and/or Events Recruitment

Method Requirements:

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 100-mile radius of the bidding city and the method must align with organization's marketing plan.

Evaluation Requirements:

1. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

15.2.22 Convention and/or Event Subsidies

Method Requirements:

1. 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.
2. Direct cash subsidy to an organization and/or purchasing of alcohol is not allowable.
3. 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.
4. 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 100-mile radius of the bidding destination and the method must align with organization's marketing plan.

Evaluation Requirements:

1. Convention or event size.
2. Number of room nights – anticipated versus actual.
3. Estimated economic impact.
4. Assess the results of this method and explain whether you will or will not continue using this marketing method and why.

Administration.....	13, 18, 21, 24, 27
Allowable Administrative Expenses.....	4, 13, 19
Audit.....	20, 24, 25, 26, 27
Bid.....	21, 22
Bidding.....	21
Budget.....	9, 11, 13, 14, 15, 19, 23, 24, 29, 30, 31, 32, 33, 34, 39, 42
Convention.....	14,17, 20, 30, 32, 34, 37, 38, 47
Cooperative.....	18, 24, 28, 33, 34, 37,38, 40
Digital.....	16, 17, 29, 30, 31, 34, 36, 37, 38, 44
Eligibility.....	9
Eligible Marketing.....	11, 13,15, 16
FAM.....	17, 27, 30, 45
Familiarization Tours.....	17
Film.....	14, 17, 31, 34, 37, 38, 41
Financial.....	13, 18, 23, 25, 26
Goal.....	12, 14, 15, 17, 32, 40
Ineligible Marketing.....	18
Joint Venture.....	34, 41
Lodging Facility.....	7, 9, 19, 20, 25, 33, 34, 35, 42, 44, 45, 46, 47
Marketing Committee.....	11, 13, 15, 23, 24, 34
Marketing Personnel.....	17, 44, 45
Media.....	16, 17, 29, 30, 31, 39, 40, 41, 43, 44, 45
Method..	11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 25, 27, 29, 30, 31, 32, 34, 36, 37, 38
.....	39, 40, 41, 42, 43, 44, 45, 46, 47
Method Evaluation.....	11,15, 16, 23, 25, 29, 30, 31, 32
Non-Compliance.....	25
Objective.....	12, 15, 17, 29, 30, 31, 32
Opportunity.....	10, 15, 18, 24, 32, 34
Organization.....	7, 9, 10, 18, 25, 35, 36, 37, 38, 40, 44, 45
Publicity.....	14, 17, 30, 44, 45
RFP (Request For Proposal).....	21, 22, 34, 47
Segment.....	11, 12, 13, 14, 15, 16, 20, 23, 29, 30, 31, 32
Social Media.....	16, 29, 30, 31, 40, 41, 44, 45
Sponsorship.....	30, 31, 41
TAC (Tourism Advisory Council).....	4, 7, 9, 13, 20, 22
Travel Expense.....	26, 27
VIC (Visitor Information Center).....	17, 20, 28, 29, 32, 45, 46