

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. The 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 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 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 region/CVB funds shall have one of the following: an active status as a nonprofit organization with the Montana Secretary of State, or a recognized government organization.
- Region/CVB organizations may provide up to, but not more than, 50% of any one line-item within a project. Under no circumstances may the Region/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 Region/CVB organizations shall adhere are relevant and required for the cooperative partner.
- Cooperative partners are to present original invoices to the Region/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, submit an original invoice and a copy of their canceled check documenting payment to the 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.
- Region/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 both the administrative position and the marketing personnel position concurrently, the following requirements apply:
 - 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, and 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 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 in which the coordinator has been provided an inclusive listing of those properties within the identified geographic collection area, to the best of their ability.
- 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. 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.
- Organization’s privacy policy must adhere to State, Federal and International dataprotection 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 Tpartnerships 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."

E. VIC Staffing

F. 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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