



FORT BENTON 

# Rural Tourism Asset Grant Program Administration Guidelines

**Destination MT Division**

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## Table of Contents

I. Introduction .....	3
II. Definitions .....	4
III. Eligible Applicants .....	5
IV. Program Criteria .....	5
V. Funds .....	6
Eligible Use of Funds .....	6
Ineligible Use of Funds .....	7
VI. Grant Program Administration .....	8
Contract Requirements .....	8
Procurement .....	8
Payment and Reimbursement .....	8
Closeout .....	8
Grant Agreement .....	8
Eligible Expenses .....	9
Requests for Funds .....	9
Grant Closeout .....	10
VII. Application Process .....	10
Application Review and Ranking Criteria .....	10
Award Process and Grant Administration .....	11
Application Review .....	12

## I. Introduction

The Rural Tourism Asset Grant Program is funded by the 4% Lodging Facility Use Tax, commonly known as the bed tax. Enacted by the 1987 Montana Legislature, the bed tax is collected from guests of hotels, motels, bed and breakfasts, guest ranches, resorts, short-term vacation rentals and campgrounds.

The TAG provides funding of up to \$75,000 to support projects that strengthen rural communities by enhancing visitor experiences with amenities, improving tourism assets and fostering economic growth. This funding is designed to help Montana rural communities develop assets, attract visitors and create long-term economic benefits for residents and businesses.

The TAG awards are designed to support one-time, lasting tourism improvements in rural communities. Tourism projects funded under this program should:

- Be planned, such as a project in an approved plan, or be shovel-ready
- Start quickly
- Demonstrate visible impact
- Demonstrate long-term viability beyond the grant period
- Be fully completed within two years of award

The intent of this funding is not to create ongoing programs, but rather to provide a catalyst for rural communities to invest in assets that attract visitors and strengthen a visitor's experience. Successful projects will create a tangible benefit, such as improved facilities, amenities or expanded tourism capacity, that continue to serve the community well beyond the life of the grant.

The Montana Department of Commerce's Destination MT Division will administer reimbursement-based TAG in accordance with these guidelines.

## II. Definitions

**Community Benefit:** Infrastructure and assets that enhance residents' quality of life.

**Destination Development:** The enhancement and preservation of places that strengthen a community's appeal to visitors.

**Out-of-Area Visitors:** Travelers coming from more than 50 miles away.

**Planning and Capacity Building:** Developing strategies and tools to guide and support sustainable tourism growth.

**Rural:** Rural is defined as "not urban." See below.

**Sustainability:** Ensuring the long-term viability of a project beyond the grant period.

**Tourism:** The activity of people visiting and staying in places at least 50 miles from their usual environment for leisure, recreation, business or other purposes.

**Tourism Asset:** Any feature of a destination that either attracts leisure visitation or supports a leisure visitor's ability to travel to, stay at or engage with a travel behavior at the destination.

**Urban:** Urban places are defined as either: (1) a census urban area with a population of or exceeding 30,000 people according to the most recent United States Census; or (2) an incorporated city/town within 10 miles of one of those large urban areas. Geo-locations in Montana that currently meet the first definition include Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Missoula and Whitefish. Geo-locations in Montana that currently meet the second definition include Belgrade, Columbia Falls, East Helena,

Laurel and Walkerville. This designation will be analyzed every year, and the layered map of [Urban and Overvisited Designations](#) will be updated accordingly.

**Under-Visited:** The 4% Lodging Facility Use Tax data set determines if a place is over- or under-visited, based on a three-year average of a Convention and Visitors Bureau's bed tax collection. If a CVB's bed tax collection is below the simple average of all CVBs' bed tax collections, then it is under-visited. This designation will be analyzed every year and the layered map of [Urban and Overvisited Designations](#) will be updated accordingly.

### III. Eligible Applicants

Only the following are eligible to apply for TAG:

- Economic development organizations
- Local governments, including city, county and consolidated governments
- Tribal governments
- Nonprofit organizations in good standing with the Montana Secretary of State's Office, if required by Montana law

### IV. Program Criteria

- A. The asset/proposed project is located in a rural and/or under-visited community.
- B. The asset/proposed project must be owned by the grantee or have an MOU with the owner for maintenance and operation.
- C. TAG funds are designed for projects that are ready for construction or implementation that attract leisure visitation and spending or support visitation activities.

- D. Grant match is required. Qualified applicants must demonstrate a 10% match of actual and/or committed funds invested in the proposed project for a successful grant award. Up to 5% of the match may be administrative.
- E. A key component of a successful application to TAG is public support. The applicant must demonstrate that the proposed project has the support of community and tourism partners. Two letters of support from the city, county or a local tourism entity are required.
- F. Applicants for TAG may apply for up to \$75,000 but may be awarded a lesser amount based on fund availability.

TAG funding may include:

- Tourism Assets: Preservation/restoration of historic or cultural sites, arts/cultural venues and downtown development.
- Visitor Experience Enhancements: Interpretive educational infrastructure, accessibility improvements, outdoor recreation amenities, wayfinding signage, visitor centers and rest areas.

## V. Funds

### Eligible Use of Funds

- Funds can be used for contracted professional services, such as:
  - Program- and/or project-specific
  - Engineering and/or architectural plans
  - Construction contractor
- Funds can be used for costs incurred on or after the award date.
- Reimbursement cannot occur until a contract between Commerce and the grantee has been fully executed.

- Administrative expenses may be counted as match not to exceed 5% of project costs.

## Ineligible Use of Funds

Expenses that are not eligible to be supported with TAG grant funds include, but are not limited to:

- Projects located in urban and/or over-visited areas
  - See the Urban and Overvisited Designations map at [arcgis.com](http://arcgis.com)
- Political or religious activities
- Projects without community or tourism partner support
- Events or fairs
- Marketing and advertising
- Costs related to refinancing, servicing or interest on any existing debt
- Any costs incurred prior to the date identified in the award letter
- Any ongoing or monthly general operating expenses, including insurance
- Ongoing maintenance
- Purchase of real estate property
- Membership costs
- Domain registration and website hosting
- Maintenance costs associated with TAG-specific projects, equipment maintenance and supplies
- Any uses prohibited by the contract signed by the grantee and Commerce
- Any uses prohibited by these guidelines or other Commerce directives
- Any uses prohibited by Montana or federal law
- Any project(s), tasks and/or work not approved in the contracted scope of work and budget

## VI. Grant Program Administration

### Contract Requirements

- A. Grantees must enter into an agreement with Commerce.
- B. Contracts may not be extended unless substantial progress and good cause are demonstrated.
- C. All grantees must comply with state auditing and reporting requirements.

### Procurement

- D. All professional services must follow state or local procurement laws.
- E. Applicants should consult their attorney before procurement.

### Payment and Reimbursement

- F. Reimbursements are provided only for costs incurred after contract execution.
- G. Final reimbursement is made upon submission of approved request for funds, final project report and supporting documentation.

### Closeout

- H. Final reports/plans must be submitted electronically.
- I. Grantees must retain project records for at least three years after grant closeout.

This section outlines the requirements for the administration of Tourism Asset Grants. All funded activities must directly support tourism.

### Grant Agreement

- A. Recipients must enter into a grant agreement with Commerce, which will establish a termination date. Extensions beyond the expiration date will not be granted unless reasonable progress is demonstrated. A letter requesting extension must be received more than 30 days before the termination date.

- B. If a recipient has not procured needed professional services within six months of the signed agreement, the grant may be terminated unless substantial progress can be shown.
- C. Grant recipients must provide documentation demonstrating compliance with procurement, liability and worker's compensation insurance and other applicable administrative requirements.
- D. Before funds can be released, recipients must complete the following forms available at [commerce.mt.gov](https://commerce.mt.gov):
  - i. Signature Certification Form: Authorizes multiple local signers to sign payment requests. Each request for funds must be signed by an authorized signer.
  - ii. Designation of Depository Form: Identifies the local government's official bank account where funds will be deposited.

## Eligible Expenses

Tourism grant funds may only be used for eligible project costs as defined in Program Guidance. Funds cannot be used for grant administration; however, those costs may be counted as match.

## Requests for Funds

Recipients may request reimbursement for eligible costs using the Request for Funds Form. Reimbursement will occur within 30 days of Commerce receiving a complete request package, which must include:

- Signed Request for Funds Form
- Detailed invoices showing items and costs
- Signature Certification and Depository Forms
- Updated progress report

## Grant Closeout

Before final payment, recipients must submit a final report with all program requirements. Records must be retained for a minimum of three years after grant closeout.

## VII. Application Process

To apply for TAG, interested and eligible applicants must complete and submit to Commerce the application that is located on the Montana Grants and Loans Portal at [montana.servicenowservices.com](http://montana.servicenowservices.com).

Commerce recommends that interested applicants download the application, scope of work template and budget template and complete all documents prior to submitting the official application in the Montana Grants and Loans Portal. Interested parties can also email [tourismgrants@mt.gov](mailto:tourismgrants@mt.gov) or call the Tourism Grant Program at 406-841-2796 to ask any questions they may have about TAG.

## Application Review and Ranking Criteria

- All applications received through the Montana Grants and Loans Portal are initially reviewed by Commerce's Destination MT division staff for completeness. Complete applications from eligible applicants are then reviewed and evaluated by the review committee.
- The review committee applies the scoring criteria identified in Attachment C available at [commerce.mt.gov/business/programs-and-services/tourism-marketing/tourism-grant-program/rural-tourism-asset-grant-program](http://commerce.mt.gov/business/programs-and-services/tourism-marketing/tourism-grant-program/rural-tourism-asset-grant-program).

Only complete applications will be considered, including:

- Implementation schedule (Appendix A)
- Budget and narrative (Appendix B)

- Documentation of match commitment (resolution, letter or funding award)

Applications will be reviewed and scored based on the following:

- Project readiness
- Implementation and timeliness
- Visible impact
- Long-term sustainability and maintenance
- Completion and deliverables

**Scoring Scale:** Strong (20), Good (15), Neutral (10), Not Defined (5) and Unknown (0)

## **Award Process and Grant Administration**

- A. After the successful completion of the review process, Destination MT Division staff will notify all applicants of their funding status.
  - i. Commerce will issue an official announcement of TAG awardees.  
Awardees will hold their announcements until after Commerce has made its official announcement.
- B. Successful applicants will be assigned a Destination MT Division liaison. The liaison will facilitate contracting, monitoring, request for reimbursement and reporting requirements.
- C. Successful applicants then enter a contract between Commerce and the grantee.
- D. During the contracting process, the grantee and a Destination MT Division staff liaison will review the grant administration process, including:
  - i. Submitting forms and other documents to Commerce
  - ii. The request for reimbursement
  - iii. Training and technical assistance materials
  - iv. Final report requirements and submission
- E. Payment and reimbursement
  - i. Reimbursements provided only after contract execution

- ii. Not more than quarterly
  - iii. Final reimbursement is contingent upon receipt of all necessary documents, including a completed final report
- F. The Commerce logo will be provided to each grantee and should be displayed on applicable sponsor banner(s), signage, social media, printed materials or program-related websites. The grantee must recognize Commerce in any announcements regarding the program. Additional Commerce branding resources can be located at [commerce.mt.gov](http://commerce.mt.gov).

## **Application Review**

- A. Applications are reviewed for completeness within 14 business days of the grant closing date.
- B. Applications that are complete will then be reviewed by a panel.
- C. The applications with the highest scores will then be sent to Commerce leadership and Gov. Greg Gianforte for approval and award.
- D. All applicants will receive a letter of notice regarding funded or unfunded application status.