

## **North Carolina Division of Tourism, Film and Sports Development**

### **2008-2009 Tourism Matching Funds Program**

#### **DESCRIPTION OF THE PROGRAM**

The North Carolina Division of Tourism, Film and Sports Development administers a fund established to stimulate economic growth by allowing communities and non-profit tourism development organizations to participate in the State's program to market North Carolina, along with its regions and communities, as a travel destination. This is accomplished by providing funds on a matching basis to local and regional promotional efforts which best support and augment the marketing efforts of the Division of Tourism. Primary consideration will be given to the potential for positive economic impact of the project. Consideration will also be given to projects that promote travel from out-of-state or from areas more than 100 miles distant, particularly through paid advertising and during shoulder and off seasons. Preferred marketing activities include paid advertising outside North Carolina, paid advertising in prime markets in other regions of the state, cooperative regional advertising and marketing programs, cooperative local advertising and marketing programs, and other aggressive outreach marketing activities designed to attract new visitors from outside the local region or enhance the long-term growth of the travel industry.

#### **PURPOSE – TRAVEL MARKETING**

Projects performed under this program must be totally and completely for travel promotions and may not contain or include any material or information not strictly related to destination marketing. Projects not adhering to this provision will not be paid.

#### **ELIGIBILITY – REQUIREMENT OF NON-PROFIT STATUS**

Any statutorily empowered tourism marketing agency or legally chartered non-profit North Carolina organization that includes tourism promotion among its major activities is eligible to apply for a grant under this program. Documentation of legal status, tax exemption, federal identification number and organizational purpose is required with application. For-profit businesses or organizations may not go through an eligible organization to apply for these monies.

#### **MATCHING FORMULAE**

The matching formulae favor economic growth in the less advantaged areas of our state and are based on the Department of Commerce's economic development tier system. Organizations located in counties ranked in Tiers 1 and 2 may receive as much as \$7,500 and will be required to provide one non-state dollar for every four state dollars awarded. For example, an award of \$7500 must be matched by \$1875 from the applicant organization. Organizations located in counties ranked in Tiers 3 and 4 may receive as much as \$3,500 and must provide one non-state dollar for every three state dollars. For example, an award of \$3500 must be matched by \$1166 from the applicant organization. Organizations in Tier 5 counties may receive up to \$3,500 with two non-state dollars required for each dollar received from the state meaning that an award of \$3500 must be matched by \$7,000.

Note: If the applicant/grantee is a formally organized, multi-county organization, that organization will be judged in the highest economic ranking category into which at least fifty percent of its constituent counties fall. For example, a ten-county organization must represent at least five counties in the "20 least affluent counties" category for that organization to qualify for a grant of \$7,500, matching every four State dollars with one non-State dollar.

## FUNDING IN CONSECUTIVE YEARS

Organizations in Tiers 1 and 2 counties may apply for grants every year. Those in Tier 3 or 4 counties may apply in two of three consecutive years, while those in Tier 5 counties may not receive grants in consecutive years.

An eligible organization that applies for but does not receive tourism promotion grant funds may apply for and be awarded funds in the following fiscal year. The fact that one or more eligible organizations in a county are awarded tourism promotion grant funds in a given fiscal year will not bar other eligible organizations in that county from applying for and being awarded funds in the next fiscal year.

## INELIGIBLE EXPENDITURES AND PROJECT PROPOSALS

The Tourism Matching Funds is a reimbursement grant program. Upon submission of paid receipts for eligible expenditures, grantees will be reimbursed up to the full amount of the grant awarded based on the matching formula applied to their county(ies). The matching funds provided by the applicant organization must be budgeted for eligible expenditures and if a grant is awarded, spent on eligible expenditures in order to receive reimbursement. (Refer to the section “Application Guidelines, Restrictions.”)

Following is a list of ineligible expenditures and project proposals. Ineligible expenditures may be figured into your total project budget but are not eligible for reimbursement with grant funds. In-kind services, while not eligible for inclusion as expenditures, may be listed as part of the budget as an indication of project support.

1. **Expenses incurred before the date of the award letter.**
2. **In-kind services by suppliers, vendors, consultants, etc.**
3. Routine administrative costs including routine upkeep and hosting of websites
4. Routine postage and shipping charges. Shipping charges incurred from vendor for grant project are allowable. Shipping of materials once they are received from the vendor is not reimbursable unless it is part of direct mail campaign.
5. Paid advertising through LOCAL media outlets—print, television or radio.
6. Proposals for event promotion for events that take place either **prior** to the proposed award date or within **sixty** calendar days following the proposed award date.
7. Telephone and communications charges.
8. Signage such as banners, posters etc. These tend to see extremely localized use.
9. Membership dues
10. Lodging/travel/entertainment costs
11. Salaries for full-time, part-time or temporary employees
12. Equipment purchasing or leasing
13. Office supplies
14. Familiarization tour expenses
15. Capital expenses, including those to hold a special event
16. Promotional items—t-shirts, decals, magnets, etc.
17. State-funded cooperative print or on-line advertising programs
18. Ad purchase in the *Official North Carolina Travel Guide*.
19. Any publications or items for sale (NOTE: Sale of publications or items funded by a current or previous Tourism Matching Grant can result in revocation of your grant and/or repayments of grant funds.)

## SELECTION OF PROJECTS TO RECEIVE FUNDING

Applications will be reviewed by a panel of three members of the North Carolina Travel and Tourism Board, one from each geographic region of the State, as indicated by statute (GS 143B-434.1).

Recommendations will be made to the Secretary of Commerce who is responsible for final selection of projects to receive funding.

## 1) Selection Criteria

Each ELIGIBLE grant will be rated on the following **nine (9)** criteria:

- ability and method to track the effectiveness of the proposed project
- degree to which travel will be generated from outside the state or areas more than 100 miles distant
- compatibility with Division AND local community marketing efforts and initiatives (out of state/regional paid advertising, aggressive outreach to generate new travel, etc.)
- degree of regional or local collaboration on project
- potential to positively impact the growth of the tourism industry of the area/region
- degree to which economic growth will be enhanced in less affluent areas and among either minority or traditionally under-served populations or minority or traditionally under-served populations will be positively impacted
- evidence of overall strategy and marketing plan
- financial need of the applicant/area
- overall appeal of the project

## 2) What Types of Projects Typically Are Selected for Funding?

- All eligible applications are judged on their own merit.
- Think about asking for funding for projects beyond what you have as a standard SUSTAINABLE part of your budget. For instance, if you are an established organization, don't apply to offset the cost of redesigning and printing your standard visitor guide; instead, apply to do a special niche market brochure. The same applies for websites; redesigns of your existing site should be something standard in your budget but perhaps you would like to add new pages that focus on outdoor adventure for instance.
- Projects that tend to score high include web advertising, direct mail campaigns with targeted audience, media kits, out of state/region media campaigns or regional cooperative marketing efforts.
- Consider how you will market your proposed project if your proposal is not for paid advertising. If you are creating an outdoor adventure brochure, tell us what marketing that you are going to do to drive people to order the brochure.
- Your project should be designed to target visitors from outside at least a 100-mile radius or from out-of-state. To give you some idea of what your target markets might be, consider that the top twelve states of visitor origin for NC in 2006 were NC, VA, SC, GA, FL, NY, MD, PA, TN, NJ, OH and CA. Some of our popular drive markets include Raleigh, DC, Richmond, Charlotte, Asheville and Greenville-Spartanburg.
- Projects that score low tend to include brochure redesign/reprint, brochures/rack cards without a specific and innovative distribution plan, website redesign, marketing proposals for events that have only limited local appeal.

\*The type of project you are considering submitting may or may not appear in these suggestions. They are only meant to be a guideline, not an assurance of funding.

### 3) Funding for Reprinting Existing Publications or Redesigned Websites

The Division will not fund straight reprints of existing publications. The grant selection committee will consider funding redesigned/reformatted brochures or publications and redesigned websites on a case by case basis.

### 4) Past Grantees

Grantees who are applying for more funding will also be judged on past project performance/success and cooperation with program guidelines.

**APPLICATION GUIDELINES:** If you have any questions about the program requirements before submitting an application, contact the program coordinator to discuss your project.

#### 1) Restrictions

- Only one organization may apply per project.
- Applications should come from an organization within the county or counties where the proposed project will originate.
- Grants shall be awarded up to the maximum amounts and in subsequent years as specified by the General Assembly. The grantee is required to provide non-State dollars in accordance with the established formulae (See Matching Formulae, above).
- Applicant must demonstrate that the grant funds will be used to promote travel in conjunction with and in support of the Division's marketing program.

#### 2) Required Match

- The applicant should demonstrate in their budget that their organization's match is part of the total cost of the proposal that would be funded by grant monies. For instance, if the grantee was asked for \$7500, the budget attached for the proposal must reflect that at the total project cost is at least \$9375 in **ELIGIBLE** expenses, including the \$1875 match.
- If awarded funds, the grantee must provide documentation of the total amount expended on the specified project; then State funds may be paid according to the terms of the specific grant. Referring to the example above, if that organization were funded at \$7500, in order to be reimbursed for the entire \$7500, the grantee would have to demonstrate that at least \$9375 in eligible expenditures as documented in their proposal was spent. If the grantee's project cost less than originally anticipated and they only submitted \$8000 in eligible receipts they would only be reimbursed for \$6400 according to the terms of the matching formulae.

#### 3) Deadline for Receipt of Applications

Applications must be RECEIVED no later than **5:00p.m., August 22, 2008**. Faxed or e-mailed applications will not be accepted.

#### 4) Application Form

Application for each grant must be submitted on the form provided, with all requested information provided. If something does not apply to your organization or proposal, please fill in with N/A. Incomplete applications will not be considered for funding. Encumbrance and payment of funds cannot occur without the grantee's Federal Employer ID Number.

#### 5) Notification of Grant Awards

All applicants will receive written notice as to the status of their request for matching funds. These notices will be mailed on or before **October 24, 2008, pending approval by the Secretary of Commerce**. Due to staffing limitations and the volume of applications processed, no information

regarding grant status will be given over the telephone or via fax or e-mail prior to your receipt of written notice.

**6) Credit to the Division as a sponsor on marketing materials**

Marketing materials should credit the Division as a sponsor of the marketing initiative for which funding was received through use of the Division's marketing logo. Materials not following this standard will not be reimbursed. Websites should include a link to the Division's website as well.

**7) DISTRIBUTION THROUGH NORTH CAROLINA WELCOME CENTERS**

Up to twenty percent of all published literature must be available for distribution through the appropriate North Carolina Welcome Centers. For information on the brochure policy, go to <http://www.nccommerce.com/NR/rdonlyres/BC0710B3-31D5-4BB0-B4A1-266C8667D767/1735/brochurepolicy2.pdf>

**TIMELINE AND GRANT REIMBURSEMENT REQUIREMENTS AFTER AWARD ANNOUNCEMENTS**

- 1) Upon notification of the grant award, the grantee should contact the Division's grant program administrator to discuss project implementation.
- 2) **Invoices:** ALL invoices or receipts must be made out to the GRANTEE, not a third party. The GRANTEE must be the party that supplies payment to the vendor. Example—ABC Organization has been awarded a grant. They work with ACME (a vendor) to produce an outdoor recreation brochure. ACME should invoice ABC Organization and ABC organization should supply payment to ACME. The Division should not get an invoice and payment documentation that has a third party from the grantee.
- 3) The grantee must submit a progress report on the status of the project for approval, **NO LATER THAN February 13, 2009**. This report should update the program administrator on what is taking place with the project and provide a timeline for its completion. If your project will be complete before then, please provide a progress report **PRIOR** to February 13, and also take note of the directives in item #4 below.
- 4) The grantee should **submit for approval to the program administrator PRIOR to the final production**, copies of the project (EXACT copies of materials to be printed, script with shot sheet for video presentations, layouts for ads and billboards, etc.). These copies must be complete and accurately reflect the finished product. Rough sketches will not be accepted. Finished projects found to contain materials not submitted for approval, including advertising, will not be paid. If the grantee has these materials by February 13, they will suffice for the progress report.
- 5) **Reporting the Withdrawal of a Project**  
The grantee must notify the Division of Tourism no later than **February 1, 2009**, if they will be unable to complete their project for which funding was granted. Failure to report the withdrawal of an approved project will affect the grantee's application for matching funds in a future year.
- 6) **Modifications to Grant Projects**  
Modifications must pre-approved by the Division of Tourism no later than **February 1, 2009**. Funds will not be paid for expenses not included in the approved grant application without such authorization.
- 7) **Deadline for Project Completion and Reimbursement Requests**  
Your project must be completed before **June 5, 2009** and all requests for reimbursement received by the Division of Tourism no later than this date. The Division of Tourism cannot fund projects completed, or

reimburse expenses incurred, prior to the date of the award as shown on your notification letter. Absolutely no funds will be paid after **June 30, 2009**. Funds will not be granted or reimbursed ineligible expenditures.

## 7) Documentation Requirements for Reimbursement

The Department of Commerce and the Division have very specific requirements grantees must follow in order for their granted funds to be disbursed.\* The grantee must strictly adhere to the following guidelines for reimbursement:

- While much of the communications with grantees can be accomplished by e-mail, the reimbursement request packet should be **MAILED**.
- Each request **MUST** have a cover letter requesting reimbursement and outlining how the matching funds were spent.
- Each request should have a copy of the completed project such as brochures, videotapes, ad tear sheets, or photographs of billboards.
- In order to better see the outcomes of your grant project, we require an evaluation report be submitted with your reimbursement request. This will give us an idea of how effectiveness of your project. If it is not possible to completely assess your project at the time of the reimbursement request, a report must be submitted by **Aug 1, 2009**.

One of the following five things below will be accepted by the Division as proof that the monies were spent on the grant project. \*ALL invoices or receipts must be made out to the GRANTEE, not a third party. The GRANTEE must be the party that supplies payment to the vendor.

- a) An itemized invoice/receipt\* from the vendor or supplier of the service rendered accompanied by a cancelled check paid to said vendor. **A cancelled check alone will not be sufficient. An invoice must accompany it. Invoices/receipts must have the name of the vendor on them, not just a generic receipt from a receipt book.**
- b) Cash payments are okay as long as there is an accompanying invoice or other satisfactory documentation that it is the grantee making payment.
- c) An itemized invoice from the vendor with a computer generated \$0 balance indicating that payment in full has been received from the grantee for the service rendered.
- d) An itemized invoice/receipt from the vendor with **FULL SIGNATURE AND TITLE OF PERSON RECEIVING PAYMENT** for the service rendered. The Division will **NOT** accept invoices marked or stamped paid with no signature.
- e) A credit card receipt is acceptable if the credit card that has been used to make the transaction is issued to the grantee organization.

Upon receipt of satisfactory documentation, the granted funds will be disbursed.

\*In order to be reimbursed for your project, you must provide a notarized conflict of interest statement that addresses your organization's policy addressing conflicts of interest that may arise involving that entity's management employees or board of directors or other governing body. The policy shall address situations where any of these individuals may directly or indirectly benefit, except as the entity's employees or members of the board or other governing body, from the entity's disbursing of State funds, and shall include actions to be taken by the entity or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. If your organization's bylaws address this, that will suffice. Please note which portion of the bylaws covers this requirement.

## 8) Grant compliance

- **Non-profit agencies** receiving state funds totaling less than \$25,000 are required by NC General Statute 143-6.2 to supply a certification form and a state grants compliance reporting form for awards within 6 months of your organization's year end. This is now done online via the website <https://www.grants.ncauditor.net>. Failure to supply this documentation may prevent an agency from receiving future state funding. City or county governmental entities are not required to provide this documentation.
- The Department of Commerce and the State Auditor reserve the right to inspect the grantee's records at any time for the purpose of auditing and determining that the grantee has complied with the terms of the grant. Grantees are advised to retain copies of all invoices, canceled checks and receipts that relate to any grants administered under this program for at least 3 years. The State of North Carolina also reserves the right to call for full repayment of all grant funds from any grantee who does not fully comply with all grant regulations.