



**Destination MT Division**

**PILOT COMMUNITY TOURISM GRANT PROGRAM**

**Section I of [SB 540](#) (2023)**

**Pilot Community Tourism Grant Program Guidelines,  
Application, and Grant Administration**

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<https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Grant-Program>

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# Pilot Community Tourism Grant Program Guidelines

## Grant Administration by Destination MT

### I. Introduction

The Pilot Community Tourism Grant Program (“PCTGP”) is a state-funded opportunity authorized by the 2023 Montana Legislature’s enactment of Senate Bill 540 (“SB 540”). Building tourism in a manageable, sustainable way can stimulate and diversify Montana’s local economy, protect and enhance local resources, and foster community pride without compromising the qualities that make local communities so special.

The purpose of PCTGP is to elevate communities across the state, increase their economic vibrancy by improving their appeal as visitor destinations, and improve their resilience as a destination by enhancing and diversifying tourism-related assets and infrastructure. Through this program, communities can cultivate regional visions, identify strategies to harness the power of tourism, and develop unique experiences in tourism.

A Montana Community or group of Communities within a destination that has prioritized tourism as an economic development strategy and are interested in working collaboratively can apply for PCTGP funds. Through this process, Destination MT staff will assist local leaders with building resilient regional networks and leadership skills to manage tourism development. Interested applicants must be willing to make a significant and long-term commitment to leadership and participation in tourism and economic development over the course of 60 months. The Montana Department of Commerce (“Department”), Destination MT Division (“Destination MT”), will administer the PCTGP in accordance with these Guidelines.

Alternative accessible formats for this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Destination MT Division at (406) 841-2870, TDD (406) 841-2702, or the Relay Services number, 711.

The Department of Commerce does not discriminate on the basis of disability in admission to, access to, or operations of its program, services, or activities. Individuals who need aid or services for effective communications or other disability-related accommodations in the programs and services offered are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

## II. Definitions

Consistent with § 1(4) of SB 540, the Department has adopted the following definitions:

**Cohort:** Defined as a group of PCTGP Grantees on similar funding cycles. Destination MT will place each approved Grantee into a Cohort it determines is most appropriate for each individual Grantee.

**Community:** Defined as a specific geo-location or a group of communities within a destination that has prioritized tourism as an economic development strategy and are interested in working collaboratively. A group of communities can be based on various factors including geographic location, shared values, cultural identity, and/or common tourism asset development.

**Invoice:** The detailed project invoices Grantees must submit to receive PCGTP funds. Invoices generally should include: the invoice number(s), a brief description of work performed, the number of hours worked to accomplish each item, the amount being billed for each item, date(s) work was performed on, tasks/items completed, the beginning and ending of billing period cycles, and total amount being billed.

**Grantee:** Defined as one Community or one group of Communities acting jointly, who apply for and are awarded PCTGP funding from the Department.

**Nonprofit Convention and Visitor Bureau or CVB:** Means 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, and which is recognized by the Tourism Advisory Council.

**Over-visited:** The 4% Lodging Facility Use Tax dataset determines if a place is over or under visited, based on a 3-year average of a CVB's bed tax collection. If a CVB's bed tax collection is above the simple average of all CVBs' bed tax collections, then it is Over-visited. This designation will be analyzed every year and the [Layered Map of Urban and Overvisited Designations](#) will be updated accordingly.

**Project Completion:** Means the PCTGP project has been completed in accordance with the terms and conditions of the PCTGP Contract.

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

**Urban:** Urban places are defined as either: 1) a census urban area with a population at 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. Areas in Montana that meet this definition currently include Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Missoula, Belgrade, Columbia Falls, East Helena, Laurel, Walkerville, and Whitefish.

**Under-visited:** The 4% Lodging Facility Use Tax dataset determines if a place is over or under visited, based on a 3-year average of a CVB'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

The following are eligible to apply for the PCTGP:

- One Rural Community;
- Multiple Rural Communities partnering together;
- One Under-visited Community;
- Multiple Under-visited Communities partnering together;
- An Under-visited Community(s) partnering together with a Rural Community(s);
- An Urban Community that partners with a Rural and/or Under-visited Community; or
- An Over-visited Community that partners with a Rural and/or Under-visited Community.

If you have additional questions involving eligibility, please contact Destination MT staff at the Department directly.

### IV. Eligible Uses of Funds

Based on availability of funds and Grantee meeting their contractual obligations to the Department, each selected tourism ready Community may be awarded up to \$2.75M in total grant funds for up to 60 months to financially support:

- Resources;
- Support;
- Tourism asset and product development; and
- Training in collaborative marketing for businesses and communities to develop meaningful, regenerative tourism.

Specifically, funding recipients may use the PCTGP funds to pay for allowable expenses as follows:

**Year I:** The Department may reimburse Grantees up to \$250,000 for eligible expenses. Funds generally may support costs directly related to:

- [State rate travel and per diem costs](#) for steering committee members to attend monthly in-person meetings;
- Costs associated with renting a facility for steering committee meetings and workshops and events;
- Reasonable costs for light refreshments/beverages at meetings and workshops;
- Purchase of tourism-related data/primary research to support data-driven planning;
- Project-related planning documents;
- Lead agency professional services;

- Procurement-related costs;
- Contracted professional services directly related to Community engagement, planning, implementation, and execution; and
- Up to a maximum of 20% of Year 1 funds may be budgeted for direct grant administration.

The Community must submit a Year 1 budget to the Department prior to receiving funds, which must be approved by the Department prior to any disbursements.

**Year 2:** The Department may reimburse the Grantee up to \$1,000,000 for eligible expenses, contingent on Year 1 contract conditions being met. Funds generally may support costs directly related to:

- Identified tourism asset/product development project(s);
- Contracted professional services directly related to the development project(s), Community engagement, planning, implementation, and execution;
- [State rate travel and per diem costs](#) for steering committee members to attend in-person meetings;
- Costs associated with renting a facility for steering committee meetings and workshops and events;
- Reasonable costs for light refreshments/beverages at meetings and workshops;
- Purchase of tourism-related data/primary research to support data-driven planning;
- Project-related planning documents;
- Lead agency professional services;
- Procurement-related costs; and
- Up to a maximum of 20% of Year 2 funds may be budgeted for direct grant administration.

The Community must submit a Year 2 budget to the Department prior to receiving funds, which must be approved by the Department prior to any disbursements.

**Year 3:** The Department may reimburse the Grantee up to \$750,000 for eligible expenses, contingent on Year 2 contract conditions being met. Funds generally may support costs directly related to:

- Continued tourism asset/product development project(s);
- Contracted professional services directly related to the development project(s), Community engagement, planning, implementation, and execution;
- [State rate travel and per diem costs](#) for steering committee members to attend in-person meetings;
- Costs associated with renting a facility for steering committee meetings and workshops and events;
- Reasonable costs for light refreshments/beverages at meetings and workshops;
- Purchase of tourism-related data/primary research to support data-driven planning;
- Project-related planning documents;
- Lead agency professional services;

- Procurement-related costs; and
- Up to a maximum of 20% of Year 3 funds may be budgeted for direct grant administration.

The Community must submit a Year 3 budget to the Department prior to receiving funds, which must be approved by the Department prior to any disbursements.

**Year 4:** The Department may reimburse the Grantee up to \$500,000 for eligible expenses, contingent on Year 3 contract conditions being met. Funds generally may support costs directly related to:

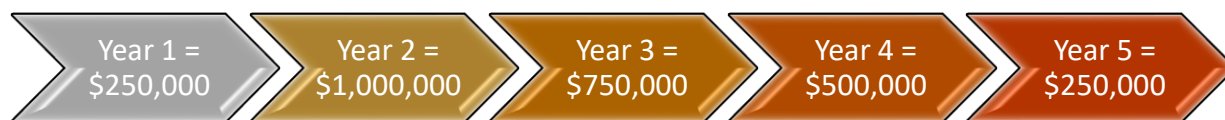
- Continued tourism asset/product development project(s);
- Contracted professional services directly related to the development project(s), Community engagement, planning, implementation, and execution;
- [State rate travel and per diem costs](#) for steering committee members to attend in-person meetings;
- Costs associated with renting a facility for steering committee meetings and workshops and events;
- Reasonable costs for light refreshments/beverages at meetings and workshops;
- Purchase of tourism-related data/primary research to support data-driven planning;
- Project-related planning documents;
- Lead agency professional services;
- Procurement-related costs; and
- Up to a maximum of 20% of Year 4 funds may be budgeted for direct grant administration.

The Community must submit a Year 4 budget to the Department prior to receiving funds, which must be approved by the Department prior to any disbursements.

**Year 5:** The Department may reimburse the Grantee up to \$250,000 for eligible expenses, contingent on Year 4 contract conditions being met. Funds generally may support costs directly related to:

- Continued tourism asset/product development project(s);
- Contracted professional services directly related to the development project(s), Community engagement, planning, implementation, and execution;
- [State rate travel and per diem costs](#) for steering committee members to attend monthly in-person meetings;
- Costs associated with renting a facility for steering committee meetings and workshops and events;
- Reasonable costs for light refreshments/beverages at meetings and workshops;
- Purchase of tourism-related data/primary research to support data-driven planning;
- Project-related planning documents;
- Lead agency professional services;
- Procurement-related costs; and
- Up to a maximum of 20% of Year 5 funds may be budgeted for direct grant administration.

The Community must submit a Year 5 budget to the Department prior to receiving funds, which must be approved by the Department prior to any disbursements.



## V. Ineligible Use of Funds

Expenses that are not eligible to be supported with PCTGP grant funds are:

- Any uses prohibited by the contract signed by the Grantee and Department;
- Any uses prohibited by these Guidelines or other Department directives;
- Any uses prohibited by Montana or federal law;
- Ongoing or monthly operational costs;
- Purchases of transferable property or operating equipment;
- Costs related to refinancing, servicing, or interest on any existing debt;
- Any unauthorized costs incurred prior to the date identified in the award letter;
- Grantee staff costs not directly attributed to PCTGP activity;
- Office supplies;
- Promotional items;
- Subscriptions or membership costs;
- Domain registration; and
- Website hosting.

## VI. Application Process

To apply for the PCTGP, interested and eligible communities must complete and submit to the Department the application that is located on Destination MT's website, <https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Grant-Program>. Additionally, the Department will have created a Toolkit on its website, which contains various templates and other form documents that Grantees may wish to use while participating in PCTGP.

Interested parties can also e-mail [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 PCTGP.

## VII. Application Review Process and Ranking Criteria

Destination MT staff will first review each application for completeness. All PCTGP applications will be evaluated by a Destination MT committee within 45 business days following submission. During this review, staff may contact an applicant to discuss any concerns or questions, or to request additional information or documentation. Staff may require additional information from the applicant to clarify information presented in the application; however, the applicant may only submit additional information after the initial application if specifically requested by staff. Destination MT may take additional information into account based upon Destination MT's or



other agency's knowledge about a proposed project or Community in the scoring of the application.

## Ranking Criteria

In addition to evaluating how well the proposed Community project meets the goals of the PCTGP and the purpose of SB 540, Destination MT staff will consider the overall quality of the application and supporting materials to evaluate Community readiness and capacity based on the following ranking criteria:

- **A Community's readiness to proceed.** For example, is there evidence that there are a diverse group of stakeholders willing and able to implement the program and use it as a catalyst for future destination development and management activities?
- **A local convener.** Is there a local convener who has the trust of local leaders within the region and has the capacity to plan and facilitate program meetings before, during, and after the workshops?
- **A fiscal agency.** Is there an agency with the fiscal and management capacity to undertake and satisfactorily complete the reporting requirements and assure proper management of grant funds?
- **The location's potential to benefit tourism.** Is there strong potential for a specific type of tourism development strategy or intervention that will unlock more benefit for the destination?
- **Community commitment.** Interested communities must be prepared to make a significant and long-term commitment to leadership and participation, establishing a Community-wide focus on tourism as a shared objective.

Additionally, applications should demonstrate how, if selected, they will accomplish:

- Tourism asset/product development;
- Local economic impact to places like lodging facilities, restaurants, and retail shops;
- Infrastructure development/investment such as road improvements, signage, and restroom facilities;
- Diversifying the Community's economic portfolio;
- Assessments of the seasonal and year-round impacts; and
- Job creation.

Interested communities can demonstrate tourism readiness by demonstrating they have:

- Participated in a professional tourism resiliency/strategic planning process;
- Participated in a professional Community-based growth/strategic planning process;
- Participated in a tourism asset survey;
- Established an affiliate status with the Montana Main Street Program;
- Established committee of 8-12 diverse Community leaders in place to guide the process, own the plan, and propel the work forward for the long term.

Additionally, eligible communities should be able to demonstrate or proactively seek funding and collaboration commitments from additional partners, including but not limited to:

- Department Of Commerce (“DOC”), Community MT;
- DOC, Housing MT;
- DOC, Business MT;
- Department of Labor and Industry (“DLI”);
- Fish Wildlife and Parks (“FWP”);
- Montana Department of Transportation (“MDT”);
- Tourism Region Destination Management Organization (“DMO”);
- Tribal partnerships;
- Other Local, State, and/or Federal partnerships; and/or
- Businesses, non-profit organizations, and/or educational institutions.

The PCTGP Committee will prepare recommendations to present to the Tourism Grant Program for a select number of applicants that may then have an assessment to review their application and proposed project/Community in more detail.

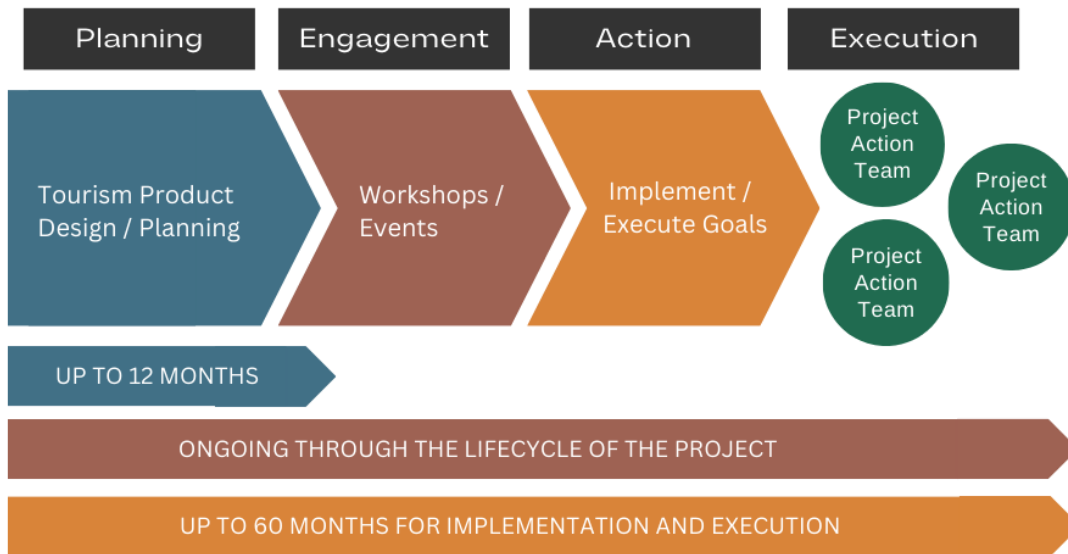
Priority will be given to applicants that are Rural and/or Under-visited, can successfully demonstrate tourism readiness, and can identify tourism asset or product development projects based on their potential to enhance the local economic impact, particularly by increasing patronage of Community assets like lodging facilities, restaurants, and retail shops. These projects should attract both tourists and business travelers. Furthermore, the development project should contribute to direct job creation and have a positive ripple effect on other industries within the Community.

### **VIII. Pilot Community Grant Administration**

After the completion of the application review process, Destination MT will notify successful applicants, i.e., Grantees, of a PCTGP award by sending a formal award letter. The completed application, including any written modifications resulting from the review of the application and in-person assessment by Destination MT staff, will be incorporated into the grant contract between the Department and the successful candidate. The grant contract must be executed by an authorized agent of the Grantee prior to disbursement of any grant award. Destination MT staff will divide Grantees into Cohorts, with up to seven communities per Cohort. Cohorts will be determined by funding cycles and the Department will notify awarded Grantees which Cohort they belong to.

Each Cohort may work in the following phases:

- Up to 12 months of tourism program/product design, outreach, and planning;
- Ongoing workshops and events with a focus on continual Community engagement for project implementation and execution; and
- Up to 60 months for action teams to implement and execute project priorities.



Grantees may incur eligible project costs once the Department provides notice of an award. However, the Department may only reimburse those eligible project costs once Grantees meet start-up requirements and conditions, including executing a contract with the Department. To the extent these guidelines and/or grant administration procedures conflict with that contract, the contract controls.

Grantees are responsible for administering their tourism asset/product development projects in accordance with all applicable local, state, and federal laws. Destination MT staff will assist and support communities in successfully implementing their planning and project activities from startup through completion of the identified tourism asset/product development projects in compliance with these requirements.

The provisions below describe some of the more significant administrative procedures and requirements with which successful PCTGP Grantees must comply. All procedures and requirements that the award recipient must comply with will be set forth in the Grantee’s contract with the Department. Forms and templates are available on the Destination MT website at <https://brand.mt.gov/Programs/Office-Of-Tourism/Tourism-Grant-Program>.

### I. Start Up Conditions

Each awarded PCTGP grantee will be required to attend, or have a representative of their lead organization attend, an in-person grant administration workshop held by Destination MT in Helena, Montana. The workshop will review:

- Startup conditions prior to the contract;
- Forms and templates included in the Department’s PCTGP Toolkit;
- How to submit specific forms and other documents to the Department;
- Review of the Department’s template contract and approved sample budget for Grantees;
- An overview of reporting Grantees must submit to the Department on an annual basis, and at contract closeout; and

- Notification requirements to Destination MT should issues occur in relation to certain events, including:
  - Meeting or date(s) of performance,
  - Modifications over \$5,000 to the budget and/or approved costs, and
  - Performing the duties required of the PCTCP including changes in steering committee contact information.

## **2. PCTGP Contract**

Once startup conditions are met, the fiscal agent in each Community selected for the PCTGP must enter into a contract with the Department, which generally will not exceed 60 months. The executed contract between the Grantee and the Department is the legal document that governs the administration of the grant. Failure to meet the conditions of the contract may result in contract termination. Sample contract provisions are discussed below but may be subject to change prior to execution.

## **3. Payment**

Destination MT will disburse PCTGP funds to Grantees on a reimbursement basis for expenses outlined in the approved year-to-year budget for the Grantee and the Grantee's instructions. For grant funds to be dispersed, the grantee must submit to the Department a written request for funds form supported by the following documentation:

- Invoices and/or a cost quote for each line item; and/or
- Detailed Invoices for:
  - Contractors
  - Subcontractors
  - Consultants
  - Vendors/Suppliers
  - Administration support

## **4. Project Monitoring and Annual Reporting Requirements**

Each PCTGP grantee will be assigned a liaison within Destination MT who will manage grant activities including but not limited to:

- Attending planning meetings, workshops, and events;
- Attending meetings with applicable stakeholders/contractors;
- Providing technical assistance to the Grantee/Community; and
- Site visits.

After a site visit, Destination MT staff liaison will provide feedback to the grantee. Destination MT will advise the grantee of any specific areas of concern and, if necessary, provide the grantee with an opportunity to take corrective action to address concerns.

Annually, the PCTGP Grantee must submit reports to the Department in the format required by the Department. The reports generally must describe the accomplishments

of the Community year to date, identify relevant milestones, and provide documentation of tangible accomplishments.

## **5. Final Report and Presentation**

Grantees must submit reports to the Department at Project Completion. Within 60 days of the date of substantial completion, the Grantee must provide a final project report to Destination MT demonstrating how the PCTGP funds have been effectively utilized to achieve positive impacts. Template final project reports will be available on the Department's website. Grantees must also provide a presentation to Destination MT at Project Completion if requested.

## **6. Public's Right to Know**

Applications and other documents submitted to the Department are subject to disclosure, in response to requests received under the Montana Constitution (Art. II, § 9) and/or Montana Public Records Act. If an applicant believes their application or other documents contain information that could reasonably be considered to be proprietary, privileged, private or confidential in nature, they should contact the Department prior to submitting and request to fill out an affidavit identifying what information they contend should be protected from public disclosure.

## **7. Compliance with Laws**

Applicants must certify on the application that the proposed planning project complies with all state, federal, and local laws, ordinances, and regulations, including any necessary environmental review and procurement requirements.

## **8. Compliance with Contract Conditions**

The Department may require Grantees to adhere to technical guiding documents and templates based on scope of project as applicable.

## **9. Dissemination of Information/Technology Transfer**

Grantees will be contractually required to allow the Department access to any facility, site, and/or environment funded by PCTGP grants, and to provide Commerce with the ability to obtain, publish, disseminate, or distribute any and all information obtained from the project (except any data or information identified as confidential or proprietary), without restriction and without payment or compensation by the Department.

## **10. Return of Funds**

At the Department's sole discretion, the grantee will be required to and agrees it shall return to the Department any and all funds that are determined by the Department to have been spent in violation of the terms and conditions of the grant contract.

## **11. Cost Savings**

In the event that expenses for a PCTGP grant are less than the projected costs and grant award, the Department may, at its sole discretion, authorize additional related planning efforts for the same facility to enhance the overall project or reduce the grant award accordingly.

## **12. Available Funding**

The Department must, by law, terminate this Contract if funds are not appropriated or otherwise made available to support the Department's continuation of performance of this Contract in a subsequent fiscal period. See 18-4-313(4), MCA. If funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this Contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, Department shall terminate this Contract as required by law.

## **13. Access to Records**

Grantee shall provide the Department, Legislative Auditor, or their authorized agents access to any records related to Grantee's participation in the PCTGP at no cost. The Department may terminate this Contract without incurring liability due to Grantee's refusal to allow access as required by this section. See 18-1-118, MCA. The lead organization of the PCTGP Community must maintain all records of planning and project activities funded with PCTGP grant funds, including but not limited to:

- Financial records;
- Supporting documents; and
- Other records as required by law or other authority for five (5) years after either the completion of the contract or the conclusion of any claim, litigation, or exception relating to the project taken by the State of Montana or any third party, whichever is later.