

## FY26 DMO BUDGETING SOURCES

**Projected Revenue** – Estimated LFST and LFUT revenue collections for the fiscal year.

This projection is created in the following manner. The Department of Commerce Research and Information Services (RIS) Bureau has developed a model projecting the amount of lodging facility sales tax and lodging facility use tax collected statewide for each quarter. This model uses input data that is only available at the statewide level and is updated monthly.

The distribution to your DMO is estimated by taking a percentage of that projected state collection amount. The percentage for your DMO for FY26 is based on the percentage your DMO has contributed to the statewide total over the past ten quarters.

Projections include estimates for the Lodging Facility Sales Tax and the Lodging Facility Use Tax collections. DMO projected revenue amount for budgeting is the total of the LFST plus LFUT projections at 95%.

*Example: Memo sent in Mar.: Projected revenue collections for the upcoming fiscal year are \$200,000*

**Rollover at Commerce** – Funds at the Department of Commerce

This amount includes LFST and LFUT funds collected in excess of the amount sent for the fiscal year.

Rollover amounts carryover into the following fiscal year and are available once final collection reports are received from the Department of Revenue. Amounts are typically available by September 1.

*Example: Revenue Collected 7/1/24 - 6/30/25 \$230,000*  
*Revenue Sent 7/1/24 - 6/30/25 (200,000)*  
*Rollover at Commerce 7/1/25 \$ 30,000*

**Uncommitted from Audit** – Funds available following the annual audit

This amount is determined upon completion of the fiscal year end audit and reflects LFST and LFUT funds remaining at the organization that weren't spent during the fiscal year.

These funds can remain from such things as marketing expenditures that come under budget or cancelled projects

*Example: Revenue Sent 7/1/24 - 6/30/25 \$200,000*  
*Revenue Spent 7/1/24 - 6/30/25 (190,000)*  
*Funds available following audit \$ 10,000*

*Using the above examples, the fiscal year BUDGET totals can be up to \$240,000*

<i>Projected Collections</i>	<i>\$200,000</i>
<i>Rollover at Commerce</i>	<i>30,000</i>
<i><u>Uncommitted from audit</u></i>	<i><u>10,000</u></i>
<i>Budget</i>	<i>\$240,000</i>

Additional funds that become available can be used to increase the DMO budget and can be allocated to methods previously approved by the TAC.

Notify Destination MT when requesting approval to increase budget or add a new objective(s).  
All budget increases and the addition of any objectives MUST be approved by the TAC prior to the expenditure of those funds.