



## DESTINATION MARKETING ORGANIZATION (DMO) GRANT PROGRAM HANDBOOK

As the principal marketing and promotions agency of the State of New Jersey, the Department of State's Division of Travel and Tourism, is charged with fostering economic growth by increasing tourism expenditures and visitation, encouraging long-term viability of New Jersey's precious natural resources, arts and cultural institutions and vast recreational and leisure opportunities. Among its many programs and services, the Division of Travel and Tourism (NJTT) executes a marketing campaign that includes television and print advertisements, radio commercials, digital elements, social media marketing, a public relations campaign, as well as education, research, visitor information services, product development and outreach initiatives.

### INTRODUCTION

Destination Marketing Organizations (DMOs) serve to promote and market specific destinations in our State. A destination can be a single city, a group of municipalities or an entire region. It must "connect the dots" by linking attractions to restaurants and accommodations. It must work with area business leaders to drive visitation when and where it is most appropriate. It must be an advocate for the industry it serves, be a good steward of the community and celebrate its people, places, history, culture and natural resources.

The DMO Grant is a highly competitive program that is designed to empower organizations to drive visitation. The approval process considers all aspects of a DMO's viability as an organization. The DMO Grant Program provides the opportunity to pay for administrative needs through grant funding, which will add significantly to the stability and long-term viability of funded DMOs.

### A MORE STABLE SOURCE OF FUNDING

Recognizing that the growth of the tourism industry in New Jersey may be impeded by the lack of a stable source of funding, the DMO Grant Program offers an opportunity for qualified DMOs to receive a commitment of funding—pending availability of funds for three fiscal years. **Funding for all state agencies and programs are reviewed annually by the New Jersey State Legislature and are subject to approval and availability.** Although the New Jersey Division of Travel and Tourism (NJTT) can make no guarantee if or how much funding will be allocated in the future, it is making a good-faith effort to provide a three-year funding commitment to each approved Destination Marketing Organization.

To receive approval for three-year funding, a DMO must adequately fulfill the proposal requirements as set forth in this document and submit a business plan, a two-year marketing plan and budgets.

If approved, the DMO will be required to submit interim and final reports for each grant period (financial reporting is described in detail later in this document) and adjust the second- and third-year marketing plan and budget to accurately reflect any changes to them. A DMO may apply for up to **\$300,000** for each of the three years and submit proof of adequate matching funds each year.

### DESTINATIONS INTERNATIONAL (DI)

DI educates, equips and empowers members to grow the success of their destinations and to excel professionally. Membership grants access to a wealth of important industry resources, access to educational opportunities and exclusive

benefits, including professional development opportunities, access to industry research and advocacy resources, plus destination tools i.e. Event Impact Calculator, DMAP Accreditation and more.

Many of the requirements in the DMO Grant Program are similar to DI's Destination Marketing Accreditation Program, which seeks to elevate the relevancy of DMOs worldwide. The accreditation process assesses all aspects of a DMO's professionalism and viability as an organization. All New Jersey DMOs are encouraged to join DI and seek accreditation when the organization has reached an appropriate level of development. To learn more about DI, visit **DestinationsInternational.org**.

## **ELIGIBILITY**

- Destination marketing is the primary function of the organization.
- DMO or one of its principal collaborative partners has two or more years of destination marketing experience.
- DMO markets one or more New Jersey municipalities or counties.

The Division of Travel and Tourism (NJTT) will offer counseling and guidance to organizations requesting assistance on becoming a formal DMO. *Staff comments and suggestions DO NOT guarantee the applicant will receive funding.*

## **APPEAL PROCEDURE**

Applicants who wish to challenge award decisions may make a formal appeal. The appeal must be submitted in writing within 30 days of the date of the notification letter informing the applicant of the award decision. The appeal must contain an explanation of why the applicant believes the Division of Travel and Tourism's grants committee decision was in error. The appeal may not include any documents or information that was not included in the original grant proposal or information that may have been amended since the original submission. The appeal package should be marked as such ("Appeal") and sent to the Executive Director of NJTT.

The applicant will be informed in writing about the Division's decision at the earliest opportunity. Should the Division of Travel and Tourism's grants committee revise its original decision and make an award, the amount would depend upon the availability of funding.

All Grant Agreement documents must be thoroughly reviewed and accepted by signature of the organization's authorized official. Final execution of the grant agreement will be upon acceptance and signature by the New Jersey Division of Travel and Tourism.

Grantees are required to include the New Jersey Department of State, Division of Travel and Tourism as an insured party on their liability insurance.

The New Jersey Division of Travel and Tourism must be contacted in writing if a project, event or program is cancelled or postponed. If the event or program will not be rescheduled, all grant monies must be returned to the NJTT no later than 30 days of the original event or program date.

## **MATCH REQUIREMENT**

The sum of the DMO's proposed marketing and administrative budgets must be equal, at minimum, to the requested grant amount plus a 25% match. The 25% match must come from non-state sources and must be allocated specifically to fulfill the matching funds requirement of this grant. Examples of permissible sources of matching funds are private sponsorships, advertising revenue (i.e. generated through website or brochure ads), membership dues and fundraising

events. **In-kind services cannot be used toward the match.** Each DMO is permitted and encouraged to seek non-state revenue above and beyond its matching funds.

## GRANT REQUIREMENTS OVERVIEW

An organization seeking funding under this program must submit a proposal as outlined in the attached document, including:

SECTION I: BUSINESS PLAN

SECTION II: TWO-YEAR MARKETING PLAN

SECTION III: TWO-YEAR BUDGET

SECTION IV: SUPPORT MATERIAL

## GENERAL COMPLIANCE REQUIREMENTS

Upon approval of the award, a Grant Agreement will be forwarded to you and must be completed by an authorized signature and returned to the Division of Travel and Tourism **within 30 days. The Grant Agreement and Payment vouchers are to be signed by an individual duly authorized by the grantee agency.**

With the signed Grant Agreement, the DMO must provide proof that required 25% non-state matching funds have been received by the organization. Adequate proof of compliance with the matching funds requirement may consist of one or more of the following:

- Copy of a negotiable check or draft made payable to the DMO.
- Proof of funds deposited or wired to the credit of the DMO.

Upon acceptance and execution of the Agreement by The Division of Travel and Tourism, as available, funds will be released.

- **Initial payment will reflect 50% of the approved grant amount** and will be disbursed upon receipt, acceptance and execution of the Grant Agreement by the Division of Travel and Tourism.
- **The second payment of 25%** will be made upon review and approval of an Interim Report.
- **The final 25% will be dispersed upon the completion, submission and approval of a final report**, due within 45 days following the end of the grant period on June 30.

The Agreement will require that the DMO agrees to the following:

- The DMO must have an accounting system that tracks the source and disposition of State funds. And the accounting system must provide adequate internal controls to safeguard grant program assets.
- The DMO agrees to permit, upon request, NJ Division of Travel & Tourism, any other State agency, or independent auditor contracted by the State of New Jersey access to all paperwork, books, records, ledgers, accounting documents and contracts pertinent to the Grant Award.
- All grant funds must be expended in accordance with the budget and solely for purposes established in the grant agreement.
- Unanticipated expenses or changes in excess of 20% per line item occurring during the fiscal year must be requested in writing, providing justification to the Division of Travel & Tourism and are subject to approval.
- The DMO must itemize each purchase and expense paid for by grant and matching funds.
- The DMO will establish a time period and a scope of services or performance objectives that they must meet.
- Excessive cash balances are not to be maintained by the DMO.

- All marketing materials must bear the Division of Travel and Tourism’s logo and URL and/or the following tagline: “SUPPORTED IN PART BY A GRANT FROM THE NEW JERSEY DEPARTMENT OF STATE, DIVISION OF TRAVEL AND TOURISM.”
- Such materials must be submitted to the Grant Administrator for approval before printing or publication.
- Websites must link to [VisitNJ.org](http://VisitNJ.org).

## PROPOSAL BUDGET

The grant proposal must include a detailed, itemized, budget clearly indicating all income and expenses for the three-year grant period, clearly showing which expenses will be funded through the grant and matching funds. The budget should include, **but is not limited to:**

### Income

- Funding acquired through sponsors (clearly showing which funds are allocated to the match requirement).
- Grants (state, county, municipal and private).
- Membership dues.
- Sales.

### Expenses

- Staff salary (not to exceed 25% of the grant request/award).
- Administrative costs (costs associated with the organization’s day-to-day business, i.e. stationery, telephone access, internet access, envelopes, professional services (accountants, contract services, auditors). (Not to exceed 10% of the grant request/award).
- Media purchases (print, radio, television and internet).
- Brochure and collateral design, production and distribution.
- Research (feasibility, research, development and marketing studies).
- Trade and consumer show registration fees (including booth rental and related expenses).
- Lodging and transportation associated with trade and consumer shows *only*.
- Travel trade marketing and sales.
- Website development and enhancements.
- Visitor/convention services.
- Communications and public relations.
- Social media/influencers.
- Eligible staff training.

## EXAMPLES OF ELIGIBLE PROJECTS AND ACTIVITIES

- Marketing, Advertising and Public Relations buys and/or hiring a marketing advertising or PR firm.
- Website development and enhancements.
- Hiring of staff to implement the sales and marketing program of the DMO. All salaries may be up to 25% of the grant award amount; may not exceed \$60,000.
- Trade and consumer show registration fees, travel trade and consumer show booth space rental and expenses (i.e. shipping, electricity, furniture, carpeting, union fees, cleaning service, electronics rentals).
- Transportation and lodging fees (not including meals or per diem fees) associated with travel trade and consumer shows. *These costs must be detailed in the proposed budget and must adhere to NJ State guidelines for travel; Fedrooms.com/.*

- Studies and surveys – feasibility, research, development and marketing studies dedicated to improving the specific destination.
- **10% of grant award amount, up to \$15,000** in administrative expenses (i.e. stationery, envelopes, telephone, internet access, visitor services, postage, utilities, rent).
- DMAP, CDME and PDM training/accreditation.

## EXAMPLES OF INELIGIBLE PROJECTS AND ACTIVITIES

- Costs associated with hosting a hospitality event.
- Event production costs (i.e. awards, entertainment, fireworks, portable restrooms, labor and refreshments).
- General meeting costs (i.e. same as above).
- Association dues (except to DI and US Travel Association) \*Other dues may come from **match only**.
- Meals and per diem associated with travel.
- Maintenance fees.
- Equipment.
- Sponsorship or registration of any conference of which the New Jersey Division of Travel and Tourism is a primary sponsor.

## REPORTING

An Interim Report will be due each spring.

Final reports are due 45 days after the end of the grant period. **Organizations failing to file acceptable final reports in a timely manner risk cancellation of final payments and may not be eligible for additional grant support.** Final reports must include:

- A narrative of activities clearly explaining marketing initiatives and detailed information on changes to the initial proposed campaign.
- A description of press created by marketing campaign.
- A budget reflecting actual spending, including comparison of the approved contract budget to actual expenditures indicating any variance.
- Proper documentation of expenses (bank statements, invoices, checks, receipts).
- Copies of collateral material including the Division of Travel and Tourism’s logo and/or the mandatory statement, “Supported in part by a grant from the New Jersey Department of State, Division of Travel and Tourism.”
- Detailed information on effectiveness and success of marketing campaign and any changes to be made based on these findings.
- Material changes in the organization (staffing, management, facilities) since the disbursement of the grant.
- Final report at the end of first & second year of three-year grant cycle must include an updated, detailed marketing plan and budget for the next cycle.

**Financial reports are to be prepared in accordance with Generally Accepted Accounting Principles (GAAP). At any time, the Division of Travel and Tourism reserves the right to request specific financial records and source documentation.**