**Section 550.60 Program Requirements**

a) Fiscal Year Marketing Plan and Project Budget Plan Approval

1) A Fiscal Year Marketing Plan and detailed Project Budget Plan identifying proposed tourism promotional activities and associated administrative expenditures utilizing LTCB grant and match funds shall be submitted by the applicant as a part of the application.

2) Salaries and related payroll expenses for the program year paid with LTCB grant funds shall not exceed 50% of the total grant funds awarded*,* except that, in fiscal years 2021, 2022, and 2023, these expenses may represent up to 60% of the total grant funds awarded.

A) 100% of tourism sales/promotion staff persons' salary may be applied toward the 50% cap and 60% cap in fiscal years 2021, 2022, and 2023 only.

B) 50% of the Chief Executive Officer's salary may be applied toward the 50% cap, except that in fiscal years 2021, 2022, and 2023 the allotment for this salary may be up to 100% of the 60% cap.

3) Grantees are prohibited from hiring any immediate family member of staff or of a board member who is involved in the hiring decision of staff if grant or match funds are utilized to pay the family member's salary. Immediate family members include the spouse, mother, father, daughter, son, or siblings and their children.

b) Promotional Projects Paid from LTCB Grant Funds

1) Promotional Costs. Promotional costs shall total at least 90% of the grant funds awarded.

2) Bids/Proposals. When the amount paid to any one vendor for a project totals $10,000 or more for commodities, or $20,000 or more for services, a minimum of two bids using identical specifications shall be obtained and the grantee shall select the lowest qualified bidder for commodities and the most qualified proposer for services. Evidence of compliance with this subsection (i.e., copies of at least two bid proposals) shall be retained by the grantee for review by the Department.

3) All promotional products produced with grant funds shall incorporate the current Department logo, which identifies the Department's participation in the tourism promotional activity. A grantee that fails to include the Department logo shall reimburse the Department for grant funds used in support of the project unless the Department finds that the omission of the logo was beyond the grantee's control.

4) The print date and quantity printed shall appear on all brochures.

5) The grantee shall be responsible for the accuracy of information contained within material produced with grant funds.

6) All printed promotional materials and premium items that are produced with grant funds shall be available free of charge.

7) Within 30 days after completion of a printing project, but only upon the Department's request, up to 10% of the materials printed must be sent to the Department's tourist information centers.

8) Costs identified under this Program shall not be claimed for any other project funded by the Department.

9) Examples of eligible promotional activities include, but are not limited to:

A) Production of printed materials, e.g., brochures, visitor guides, rack cards, and/or maps that promote:

i) the entire destination;

ii) multiple attractions within a destination; or

iii) a festival or event that will attract a minimum of 25% of its visitors from outside a 50-mile radius and that has been advertised, with at least 75% of promotion outside a 50-mile radius. This third provision may be waived at the Department's discretion if documentation is submitted to show that the destination or event attracts more than 50 percent of its overnight stays from within a 50-mile radius;

B) Travel/trade show booth space rental, purchase of booth, registration fees, and/or associated travel expenses (transportation, lodging, per diem at State rate) for a maximum of two bureau staff. Justification is required for additional people to attend;

C) Hosting of familiarization tours;

D) Placement and production costs of Internet, newspaper, magazine, radio, or television advertising to promote travel to the area. Advertising shall be distributed outside a 50-mile radius of the promoted destination or event. Bureaus that provide documentation to the Department that at least 25% of their overnight visitors are from within a 50-mile radius may place that documented percentage of their advertising dollars for distribution within the 50-mile radius of the destination or event. Advertising placed in the cities of Chicago or St. Louis that is circulated to the entire distribution area does not require the above documentation;

E) Membership dues for travel/tourism related associations or organizations;

F) Billboards utilized for tourism promotion, including design/installation of advertising and rental of space;

G) Premiums for tourism promotional purposes bearing the Department logo;

H) Production of tourism promotional videos;

I) Salaries;

J) Postage used in fulfillment and direct mail promotions;

K) Marketing research studies;

L) Telephone charges related to provision of tourism products/services information;

M) Internet sites that are linked to enjoyillinois.com; and

N) Sponsorships that are evidenced by a prior written agreement between the grantee and the recipient entity describing the activities to be undertaken with the sponsorship.

i) Sponsorship funds may be used for reasonably necessary event expenses, provided, however, that:

• No more than 50% of the sponsorship amount comes from grant funds, the balance being paid from matching funds; and

• Sponsorship funds are expended on eligible promotional activities.

ii) A sponsorship may be disallowed in whole or in part as an eligible grant promotional or match expenditure if it is determined by the Department that the purpose of entering into the sponsorship was to circumvent the prohibition against "pass-through funds".

10) Bureaus must retain documentation regarding all revenue sources and expenditures from grant or match funds claimed in conjunction with the Program. This documentation shall include, but is not limited to, original invoices, original cancelled checks, proof of performance, bids, schedules of travel expenses, and any other information needed to clarify Program reports. With regard to proof of performance, examples include brochures, the full tear sheet for advertisements (the name and date of the publication appearing on the advertisement or a copy of the publication), samples of promotional items, and photos of billboards and street banners. The Department logo on each proof of performance must be easily readable.

11) Examples of activities ineligible for payment from grant promotional funds include, but are not limited to:

A) Any administrative/operational expenses (copying, insurance, audits, accounting services, rent, office supplies, equipment, normal office postage, and non-promotional telephone expenses);

B) Purchase of any alcoholic beverage;

C) Feasibility studies; and

D) Salaries of administrative or clerical support staff.

12) Grant funds cannot be used by a bureau to complete a promotional project if those funds will allow the bureau to realize a profit on that promotional project (e.g., revenues from all sources exceed the cost of the promotional project). Bureaus must keep records documenting all costs incurred and revenue generated from any promotional project containing paid advertising.

c) Administrative Activities/Expenditures

1) Administrative costs shall be limited to 10% of the grant funds awarded. Examples of projects eligible for payment from grant administrative funding include, but are not limited to:

A) Administrative expenses (copying, normal office postage, insurance, audits, accounting services, phone, rent, office supplies, or equipment lease/rental) associated with tourism promotional activities of the bureau; and

B) Salaries of bureau administrative or clerical support staff.

2) Examples of activities/expenditures ineligible for payment from the grant administrative funds include, but are not limited to:

A) Lease/purchase agreements for any items;

B) Purchase of equipment;

C) Purchase of any alcoholic beverage;

D) Feasibility studies; and

E) Penalties, fines, fees or interest charges assessed as a result of late payment.

d) All project activities shall be subject to prior approval as stated under subsection (a).

(Source: Amended at 46 Ill. Reg. 3113, effective February 10, 2022)