



2016-17

EXPLORE MINNESOTA

GRANT GUIDELINES

FOR NEW EVENTS

DEADLINES:

Event bid and sponsorship requests are considered on an ongoing basis and must be awarded by June 15, 2017

Event operation requests are considered quarterly and must be submitted by the following deadlines:
October 3, 2016 | January 5, 2017 | April 3, 2017

NOTE: The first quarter grant application period is July 15-October 3, 2016. The second quarter grant application period is October 4, 2016-January 5, 2017. The third quarter grant application period is January 6-April 3, 2017. Guidelines may be modified quarterly.

GRANT GUIDELINES FOR NEW EVENTS

■ OVERVIEW

This is a pilot grant program administered by Explore Minnesota to generate economic impact and awareness of Minnesota through new major events held throughout the state.

■ PRIORITIES/GOALS

The goal of this event funding program is to increase the economic impact of visitors on state and local economies, increase spending by visitors, generate media awareness of Minnesota, and enhance the quality of life for Minnesotans. The program provides funding to secure and operate new events throughout the state. This pilot program creates a coordinated approach for funding events in Minnesota, including (1) competitive bidding/sponsorship and (2) operating/hosting new, major (as per legislation), events that have the potential to generate significant economic impact for the host community.

■ FUNDING AVAILABILITY

There are two funding categories:

• Bids and Sponsorships:

- Grants range from \$1,000 - \$24,000
- Funding will be allocated to the approved applicant that secures the bid. Successful applicants will be announced within two weeks of submitting their application.

• Event Operation:

- Grants range from \$5,000 - \$200,000
- Funding will be allocated through a competitive process with review by committee. Successful applicants will be announced within three weeks of the application deadline.

All grants are based on available funding.

■ FUNDING LEVELS

State funding is capped at one-third of total cash expenditures for all grants up to \$100,000. For grants over \$100,000, maximum state funding cannot exceed 15% of total cash expenditures.

• **Bids and Sponsorships:** A minimum of \$1,000 and maximum of \$24,000 is available for a bid fee or sponsorship fee. Bid application fees (fees required to submit a bid application) are not eligible. Bid fees (fees due when event is awarded) are eligible. Documented history of an event must address well-defined criteria (e.g., number of participants or spectators, rooms booked, economic impact, media coverage). Funding for a bid where there is more than one Minnesota destination competing for the same event will be contingent upon winning the bid. Only the successful bidder will receive state funding.

To be eligible, bid applications must be approved by Explore Minnesota via a letter of intent prior to bid submission. Eligible bids must be awarded and have a signed grant agreement in place with Explore Minnesota prior to May 15, 2017, and be paid by March 31, 2018. Bid and sponsorship applications may be for events that take place up to 72 months out from the time the application is approved.

• **Event Operation:** A minimum of \$5,000 and maximum of \$100,000 per event is available for hosting/operating a new event. Funding can be used for operating and promotional expenditures, and/or to offset direct state services, such as traffic control. Maximum state funding cannot exceed one-third of total cash expenditures. Requirements may be established for potential payback to State if event generates revenue over expenses. Application must be for events that begin at least two months after the deadline and end prior to March 31, 2018. (A later date may apply pending changes in legislative language.)

In limited cases, grants of over \$100,000 (up to \$200,000) may be available for hosting/operating an event that is of a much more significant size and scale (minimum of 7,500 room nights; multi-day; regional impact; documented significant economic and PR impact). Economic impact measurements must be directly supported by the event proposed. Requirements may be established for payback to State if event generates revenue over expenses, with payback proportionate to State investment.

■ MINIMUM REQUIREMENTS

Applicants must meet the minimum requirements in order to be fully considered for a grant:

- Must be working with an event new to Minnesota (not held in Minnesota in the previous three years) that is open to the public
- Demonstrate support from the local Destination Marketing Organization or Chamber of Commerce (DMO)
- Have available lodging capacity
- Agree to generate the remainder of the funding (minimally two-thirds of total cash expenses)
- Incorporation of Explore Minnesota logo/link to ExploreMinnesota.com

■ ELIGIBLE APPLICANTS

Eligible applicants are:

- Legally organized non-profit and not-for-profit event or tourism organizations (501c6 and 501c3)
- Colleges and universities and major facilities (facilities with adequate staff and experience hosting events)

All applicants must demonstrate coordination with area tourism or economic development organizations by attaching a letter of support from the Destination Marketing Organization or Chamber of Commerce (DMO). For event operation applications, please also attach references from the event's rights holders and/or vendors. (Minimum of two, maximum of five.)

Multi-organization collaboration is welcomed.

■ ELIGIBLE EVENTS

An eligible event operates for a limited period of time and is: open to the general public and likely to be of interest to a broad number of travelers, including exhibitions, expositions, fairs, festivals, entertainment, sports competitions, or leisure events. Any event that is one-time or periodic, free or ticketed, cultural, and conducted for the purpose of attracting revenue, support, awareness, and/or for entertainment purposes, and created by and/or for the general public is generally referred to as a public event.

Additional event criteria that will be considered:

- overall attendance
- time of year/available lodging capacity
- overnight travel; lodging generated (indicate if a lodging increase is expected compared to the average for the previous two years or if event will fill a lodging drop caused by loss of ongoing business)
- marketing plan, including geographic reach and focus
- PR/destination awareness potential
- length of event
- new to the state (not in Minnesota within previous three years)
- number of years event will be in state, if known
- economic impact
- meaningful programming from diverse racial, ethnic and linguistic groups
- risk management plan (only required for event operation funding requests)

Similar criteria will be applied to first-time homegrown events (with the exception of potential lower overnights), based on an assessment of achievability.

■ INELIGIBLE EVENTS

Ineligible events include those with fundraising goals beyond the operating budget of the event, political events, meetings and conventions, trade shows and events that have received other state funding or appropriations.

■ SELECTION PROCESS

Bids and Sponsorships:

Applications will be reviewed internally by Explore Minnesota staff and finalized within two weeks of request.

The following areas will be considered:

- How event addresses program goals
- Length of event
- Number of years the event will be held in Minnesota
- Impact on lodging room rates
- Overnight travel generated
- Single community or regional impact
- PR value of event
- Economic impact (must clearly correspond to the event proposed)
- Focus on meaningful programming from diverse racial, ethnic and linguistic groups
- Coordination and support of DMOs in the area
- Available capacity to host (both lodging and venues)

Event operation:

Government and non-government evaluators will be part of a committee to review applications. The committee members will be chosen to ensure balanced representation and cannot have a conflict of interest. The committee will base their recommendations on the eligibility, assessment and projected outcome criteria described in these guidelines and application.

The following areas will be considered:

- How event addresses program goals
- Length of event
- Number of years the event will be held in Minnesota
- Impact on lodging room rates
- Overnight travel generated
- Single community or regional impact
- PR value of event
- Economic impact (must clearly correspond to the event proposed)
- Focus on meaningful programming from diverse racial, ethnic and linguistic groups
- Level of non-state funding; overall budget and committed finances; and plan to secure remaining funds
- Plan to secure required volunteers and staff
- Coordination and support of DMOs in the area
- Available capacity to host (both lodging and venues)
- Valid contracts from facilities and other necessary services

NOTE: Evaluation will distinguish higher goals for seven-county metro area and more scaled goals for greater Minnesota; geographic balance of funding throughout the state will also be a factor in evaluating proposals.

■ SELECTION CRITERIA AND WEIGHT

Eligible applications will be reviewed and grants awarded based on the applicant responses to the following review criteria:

EVENT BID AND SPONSORSHIP APPLICATIONS: (A minimum of 14 points is required for eligibility)

- **Economic Impact (0-52 points)**

- Whether event will be in Minnesota for more than one year, number of days per year
- Regional impact
- Room nights – capacity, off peak, mid-week or weekend
- Room rate
- Anticipated occupancy
- Event revenue potential

- **Branding/PR (0-16 points)**

- Media exposure for destination

- **Other (0-8 points)**

- Focus on diversity
- Local participation
- Other considerations

EVENTS OPERATION APPLICATIONS:

- **Organizational Capabilities (0-16 points)**

- Planning group
- Contracts for event and facilities
- Risk management plan
- Volunteer and staff plan
- Budget and finances

- **Economic Impact (0-52 points)**

- Whether event will be in Minnesota for more than one year, number of days per year
- Regional impact
- Room nights – capacity, off peak, mid-week or weekend
- Room rate
- Anticipated occupancy
- Event revenue potential

- **Branding/PR (0-24 points)**

- Promotion of Explore Minnesota brand
- Media exposure for destination

- **Other (0-8 points)**

- Focus on diversity
- Local participation
- Other considerations

■ FINANCIAL REVIEW PROCESS

All Non-Governmental Organizations (NGOs) applying for grants in the state of Minnesota must undergo a financial review prior to a grant award made of \$25,000 and higher. In order to comply with **State Policy on the Financial Review of Nongovernmental Organizations**, please submit one of the following documents with your application, based on the following criteria:

- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990.
- Grant applicants with total annual revenue of over \$750,000 should submit their most recent certified financial audit.

■ QUESTIONS

Questions may be submitted by phone or email to Lori Peterson, 651-757-1876 or Lori.A.Peterson@state.mn.us.

Please submit questions no later than three business days prior to application deadline.

Frequently asked questions will be posted at exploreminnesota.com/eventgrants_faq. The Event Economic Impact worksheet can be viewed at exploreminnesota.com/eventgrants_impactworksheet.

■ APPLICATION CONTENT

You must submit the following in order for the application to be considered complete:

For bid or sponsorship applications:

- Completed Bid or Sponsorship Funding Application
- Signed letter of support from DMO or Chamber of Commerce

For event operation applications:

- Completed Event Operation Funding Application
- Signed letter of support from DMO or Chamber of Commerce
- References from event's rights holders and/or vendors (minimum of two, maximum of five)
- SELECTION Letter CLEARLY indicating the selected Local Organizing Committee, the selected municipality, and the event date
- Detailed Marketing Plan

If requesting \$25,000 or more:

- Grant applicants with annual income of under \$50,000, or who have not been in existence long enough to have a completed IRS Form 990 or audit should submit their most recent board-reviewed financial statements.
- Grant applicants with total annual revenue of \$50,000 or more and less than \$750,000 should submit their most recent IRS Form 990.
- Grant applicants with total annual revenue of over \$750,000 should submit their most recent certified financial audit.

Unrequested materials may not be reviewed.

■ ADDITIONAL REQUIREMENTS

Event operation applications must minimally specify how the Explore Minnesota logo and link to exploreminnesota.com will be used in conjunction with the event. Failure to include these elements will result in financial penalties of up to 10% of total State funding.

• Requirements may include:

- granting Explore Minnesota usage rights of name, logo and details of event
- providing a link to exploreminnesota.com on event website
- providing media exposure for Explore Minnesota
- recognizing Explore Minnesota in all sponsor acknowledgements
- providing complimentary tickets to Explore Minnesota for media and tourism promotion (FAMs, etc.)
- providing Explore Minnesota materials in pre-mailers and/or on-site as requested

Additional Terms and Conditions

- All of the information in the application is true and complete.
- The references the applicant provides can be contacted by Explore Minnesota.

■ APPLICATION SUBMISSION

Complete the corresponding application form, which can be found at industry.exploreminnesota.com.

If applications are mailed, they must be received by the quarterly deadlines for event operation requests. Late applications will not be considered. The applicant will be responsible for all costs incurred in applying to this program.

Important Note: Explore Minnesota advises that applicants plan ahead and begin applications well in advance of the deadline. Depending on the volume of questions, staff may not be able to respond to all inquiries in a timely manner. Applicants for event operation funding are encouraged to submit applications at least one week in advance of the deadline to be reviewed for completeness. Applications may be submitted in person, by mail or email to:

Lori A. Peterson
Events Grant Coordinator
Explore Minnesota
121 7th Place East, Suite 100
St. Paul, MN 55101
Email: Lori.A.Peterson@state.mn.us
Phone: 651-757-1876

■ REVIEW PROCESS AND TIMELINE

Bid and sponsorship requests will be evaluated on an ongoing basis within two weeks of receipt.

For event operations applications, the review committee will evaluate all eligible and complete applications received by the below quarterly deadlines. Explore Minnesota will review all committee recommendations and is responsible for award decisions. *The award decisions of Explore Minnesota are final and not subject to appeal.*

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| • Guidelines and applications posted on industry.exploreminnesota.com | July 15, 2016 |
| • Questions due | At least three business days prior to application deadlines |
| • Applications due no later than 4:30 pm Central Time | October 3, 2016 / January 5, 2017 / April 3, 2017 |
| • Selected grantees announced; grant agreement negotiations begin | Three weeks after submission deadlines |

If selected, you may only incur eligible expenditures when the grant contract is fully executed and the grant has reached its effective date.

■ CONFLICTS OF INTEREST

We will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per Minn.Stat. **§16B.98** and **Conflict of Interest Policy for State Grant-Making**.

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice to Explore Minnesota due to competing duties or loyalties
- a grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is suspected, disclosed or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

■ PUBLIC DATA

Per Minn.Stat. **§13.599**

- Names and addresses of grant applicants will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by Explore Minnesota as part of the evaluation process (except trade secret data as defined and classified in §13.37) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

■ GRANT PROVISIONS

- Broad distribution of grants awarded geographically as well as among varied eligible applicants is a priority in determining funding.
- A maximum of two bid applications and one event operation application will be accepted from a single destination in any one quarter of the year.
- Explore Minnesota reserves the right to limit the total amount of funds awarded each quarter in order to preserve available funding for future application periods.
- Based on final audit/financial statements, a proportionate amount of revenue over expenses may be required to be returned to the State.
- Ineligible expenses include, but are not limited to: fundraising; prize money; purchase of alcoholic beverages; leasing of motor vehicles; purchase or production of items for resale; acquisition of land or buildings; promotion of state public officials individually named; lobbyists, political contributions; late payment fees; finance charges or contingency funds; parking or traffic violations; payment of tax obligations or charitable contributions; payment of debt; out-of-state transportation and travel expenses (Minnesota will be considered the home state for determining whether travel is out of state).
- Third-party promoters, site selectors and commissions are ineligible for state funds.
- Border communities: Event and lodging must primarily occur in Minnesota. Incorporated DMOs/ Chambers of Commerce with a Minnesota Tax ID that represent an area in Minnesota and another state are eligible to apply when they meet requirements. Explore Minnesota funds may only be used to promote Minnesota and its travel products. Proportional funding from border states or provinces must be provided for events that cross borders.

A minimum of 25% of total program funds are reserved for use in greater Minnesota for the first nine months of the program. Any location is eligible for the last three months of the program, based on funding availability. Explore Minnesota reserves the right to limit the funding available in each category (bids/sponsorships and events) to provide the most impact and statewide balance.

Applicants who are awarded a grant for a new event may not receive additional funding in another state program for the same project.

Explore Minnesota reserves the right to award all or partial funding for a proposed event. Partially funded projects may be considered for additional funding in a later funding cycle, based on funding availability.

If the application is successful, the applicant certifies that:

- Within 90 days of the event's conclusion, the final report will be completed outlining the results of the event and a financial summary.
- For event operation funding, the complete Form 990 or a notarized final event financial statement will be required at the end of the organization's fiscal year. For bids and sponsorships, a financial summary and documentation/invoices for bid fees will be required.
- For event operation, the financial records of the event and the ongoing result will be available for audit for up to six years.
- For event operation, approved funding will not be paid out until funding from other sources is confirmed (usually by letter of intent). EMT will not indemnify events.
- In the case of event cancellation, repayment of the grant will be required.

■ ACCOUNTABILITY AND REPORTING

Events that receive funding from this program must minimally measure and provide the economic impact of the event on state and local economies, and links or other documentation of media exposure of the state as an event destination. Measurement must minimally include lodging room nights, visitor spending, and lodging and non-lodging sales taxes attributable to the event, with a comparison to lodging during the same timeframe in previous year(s).

For events that receive operation funding, a final report is required after the event and before the final payment will be approved. The final report must also include a final budget/income/expense statement with acceptable documentation. As part of the final report, the applicant will be required to provide actual values to replace many of the anticipated values provided in the application. Applicants will also be required to document how the event increased media awareness of the state as an event destination.

■ GRANT PAYMENTS

If selected, successful applicants may only commit event-related funds when the grant contract is fully executed and has reached its effective date.

For bids and sponsorships, Explore Minnesota will release funds upon receipt of an invoice and documentation of bid fee payment.

For event operation, Explore Minnesota will release funds on an agreed-upon schedule. A minimum of 40% of the funds will be withheld until after the event takes place and the final report has been received and approved by Explore Minnesota.

Payment amounts are dependent upon performance and proof of required match as outlined in the agreement.

■ GRANT MONITORING

Minnesota Statutes §16B.97 and State Policy on Grant Monitoring require the following:

- One monitoring visit during the grant period on all state grants of \$50,000 and higher
- Conducting a financial reconciliation of grantee's expenditures at least once during the grant period on grants of \$50,000 and higher. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and any other supporting documents available upon request by the State.

■ BIDDING REQUIREMENTS

For Non-Governmental Organizations (NGOs)

- Any services and/or materials that are expected to cost \$25,000 or more must undergo a formal notice and bidding process. Support documentation of this process must be included in the grantee's financial records.
- Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be scoped out in writing and offered to a minimum of three (3) bidders. Support documentation of this process must be included in the grantee's financial records.
- Any services and/or materials that are expected to cost between \$5,000 and \$9,999 must be competitively based on a minimum of three (3) verbal quotes. Support documentation of this process must be included in the grantee's financial records

For Municipalities

- If the amount of the contract is estimated to exceed \$100,000, a formal notice and bidding process must be conducted in which sealed bids shall be solicited by public notice.
- If the amount of the contract is estimated to exceed \$25,000 but not \$100,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.
- If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt.

■ AUDITS

Per Minn.Stat. §16B.98 Subdivision 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

CONTACT INFORMATION

For more information about this grant program, contact:

Lori A. Peterson

Events Grant Coordinator

Explore Minnesota

121 7th Place East, Suite 100

St. Paul, MN 55101

Email: Lori.A.Peterson@state.mn.us

Phone: 651-757-1876