

300 KAR 1:010. Procedure for Regional Marketing and Matching Funds Program.

RELATES TO: KRS 91A.350, 142.406, 148.522, 148.525, 273.161-273.405

STATUTORY AUTHORITY: KRS 148.525(2), (3)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 148.525(2) provides that the Division of Tourism Services shall be responsible for the state matching fund tourism advertising program. KRS 148.525(3) authorizes the Commissioner of the Department of Tourism to promulgate administrative regulations to promote, develop, and support the tourism industry in Kentucky. This administrative regulation establishes uniform and consistent administration of the application, participation, and reimbursement requirements of the Regional Marketing and Matching Funds Program.

Section 1. Definitions. (1) "Familiarization trip" means a trip or tour given by a tourism professional to visit a site or location to inform a person about attractions, amenities, entertainment, natural areas, or other tourist destinations in an effort to educate the person who may then market the site or location through the person's own venues.

(2) "Local promotional project" means a promotional project that:

(a) Is not affiliated with a:

1. State agency;

2. Federal agency;

3. Nonprofit organization that receives funds from the Department of Tourism or the Office of the Sports Authority for the purpose of sponsorship or advertising; or

4. Statewide project;

(b) Promotes to markets outside of the local area:

1. A specific local tourism event;

2. An attraction; or

3. A geographic area;

(c) Shall be completed and documented in a matching funds program cycle; and

(d) Meets the eligibility requirements in this administrative regulation.

(3) "Matching funds program cycle" means the Regional Markets and Matching Funds Program cycle that:

(a) Runs for a calendar year; and

(b) Has one (1) application deadline of May 1 and two (2) reimbursement deadlines of:

1. February 1 for projects completed January through June;

(4) "Regional promotional project" means a project that:

(a) Promotes tourism opportunities throughout one (1) of the nine (9) tourism regions designated by the Department of Tourism as a Tourism region.

Section 2. Regional Marketing and Matching Funds Program Reimbursement Distribution. (1) The regional Marketing and Matching Funds Program shall provide financial and marketing assistance to promotional projects completed by tourism regions and local nonprofit organizations.

(2) Funding shall be distributed based on an average percentage derived from county population and tourism expenditures to calculate county allotments.

(3) Convention and visitors' bureaus, tourism commissions, and designated marketing organizations shall be eligible to receive up to seventy (70) percent of a county allotment.

(4) Applicants other than convention and visitor bureaus, tourism commissions, and designated marketing organizations shall be eligible to receive up to thirty (30) percent of a county allotment.

(5) Percentage of eligible costs reimbursement.

(a) 100 percent of the costs of an eligible promotional project shall be available to a tourism re-

gion;

(b) Eighty (80) percent of the costs of an eligible promotional project shall be available to a convention and visitors' bureau, a tourism commission, or a designated marketing organization; and

(c) Fifty (50) percent of the costs of an eligible promotional project shall be available to eligible applicants not specified in paragraph (a) and (b) of this subsection.

Section 3. Tourism Regions. Nine (9) tourism regions, as specified on the Tourism Regions Map, are established, as follows:

(1) Tourism Region 1, Western Lakes and Rivers, shall consist of the following counties:

- (a) Ballard;
- (b) Caldwell;
- (c) Calloway;
- (d) Carlisle;
- (e) Christian;
- (f) Crittenden;
- (g) Fulton;
- (h) Graves;
- (i) Hickman;
- (j) Livingston;
- (k) Lyon;
- (l) Marshall;
- (m) McCracken;
- (n) Todd; and
- (o) Trigg.

(2) Tourism Region 2, Green River, shall consist of the following counties:

- (a) Daviess;
- (b) Hancock;
- (c) Henderson;
- (d) Hopkins;
- (e) McLean;
- (f) Muhlenberg;
- (g) Ohio;
- (h) Union; and
- (i) Webster.

(3) Tourism Region 3, Cave, shall consist of the following counties:

- (a) Allen;
- (b) Barren;
- (c) Butler;
- (d) Edmonson;
- (e) Hart;
- (f) Logan;
- (g) Metcalfe;
- (h) Monroe;
- (i) Simpson; and
- (j) Warren.

(4) Tourism Region 4, Louisville-Lincoln, shall consist of the following counties:

- (a) Breckinridge;
- (b) Bullitt;

- (c) Grayson;
- (d) Hardin;
- (e) Henry;
- (f) Jefferson;
- (g) Larue;
- (h) Marion;
- (i) Meade;
- (j) Nelson;
- (k) Oldham;
- (l) Shelby;
- (m) Spencer;
- (n) Trimble; and
- (o) Washington.

(5) Tourism Region 5, Southern Kentucky Lakes and Rivers, shall consist of the following counties:

- (a) Adair;
- (b) Casey;
- (c) Clinton;
- (d) Cumberland;
- (e) Green;
- (f) McCreary;
- (g) Pulaski;
- (h) Russell;
- (i) Taylor; and
- (j) Wayne.

(6) Tourism Region 6, Northern Kentucky, shall consist of the following counties:

- (a) Boone;
- (b) Bracken;
- (c) Campbell;
- (d) Carroll;
- (e) Fleming;
- (f) Gallatin;
- (g) Grant;
- (h) Kenton;
- (i) Lewis;
- (j) Mason;
- (k) Owen;
- (l) Pendleton; and
- (m) Robertson.

(7) Tourism Region 7, Bluegrass, shall consist of the following counties:

- (a) Anderson;
- (b) Bourbon;
- (c) Boyle;
- (d) Clark;
- (e) Fayette;
- (f) Franklin;
- (g) Garrard;
- (h) Harrison;
- (i) Jessamine;

- (j) Lincoln;
- (k) Madison;
- (l) Mercer;
- (m) Nicholas;
- (n) Scott; and
- (o) Woodford.

(8) Tourism Region 8, Eastern Highlands-North, shall consist of the following counties:

- (a) Bath;
- (b) Boyd;
- (c) Carter;
- (d) Elliott;
- (e) Floyd;
- (f) Greenup;
- (g) Johnson;
- (h) Lawrence;
- (i) Magoffin;
- (j) Martin;
- (k) Menifee;
- (l) Montgomery;
- (m) Morgan;
- (n) Pike; and
- (o) Rowan.

(9) Tourism Region 9, Eastern Highlands-South, shall consist of the following counties:

- (a) Bell;
- (b) Breathitt;
- (c) Clay;
- (d) Estill;
- (e) Harlan;
- (f) Jackson;
- (g) Knott;
- (h) Knox;
- (i) Laurel;
- (j) Lee;
- (k) Leslie;
- (l) Letcher;
- (m) Owsley;
- (n) Perry;
- (o) Powell;
- (p) Rockcastle;
- (q) Whitley; and
- (r) Wolfe.

Section 4. Tourism Region Committees. (1) To qualify for state tourism matching funds, a tourism region shall establish a tourism region committee.

(2)(a) Each tourist and convention commission established pursuant to KRS 91A.350 in a tourism region shall appoint a person to serve on the tourism region committee.

(b) If a tourism and convention commission has not been established pursuant to KRS 91A.350 by the local governing bodies of a county, or cities within a county, in a tourism region, the county judge executive of each county shall appoint a person to serve on the tourism region committee.

- (3) A member of the tourism region committee:
 - (a) Shall serve a two (2) year term; and
 - (b) May be reappointed for successive two (2) year terms.
- (4) A tourism region committee shall be incorporated as a nonprofit, nonstock corporation, pursuant to KRS 273.161 through 273.405.
- (5) A tourism region committee shall:
 - (a) Elect a chairperson, vice chairperson, secretary, and treasurer; and
 - (b) Establish bylaws that shall include:
 1. Purpose, mission, and limitations of committee;
 2. Composition and duties of the board of directors and officers;
 3. Procedures for election, removal of directors and officers, and filling of vacancies;
 4. When meetings shall be held;
 5. Quorum and voting requirements;
 6. Financial and contractual procedures;
 7. Preparation of annual budget and financial report; and
 8. Procedure for amendment of bylaws.

Section 5. Types of Promotional Projects. (1) The types of local or tourism region promotional projects eligible for funding shall be:

- (a) Tourism publications, CDs, DVDs, and videos;
- (b) Media advertisements and press kits;
- (c) Billboards and signage;
- (d) Brochure distribution services;
- (e) Postage and freight expenses;
- (f) Consumer travel show expenses;
- (g) Group tour marketplace expenses;
- (h) Meeting, convention, and sports-marketing trade show and exposition expenses;
- (i) Familiarize trips and site visits;
- (j) Sponsorship of tourism trade show and events;
- (k) Bid fees to assist in bringing events to Kentucky; and
- (l) Internet hosting, design, and maintenance expenses.

(2)(a) Promotional projects shall meet the requirements established in specified by Section 6 of this administrative regulation.

(b) Brochures, videos, CDs, DVDs, tourism region media, advertisements and press kits shall not be eligible for reimbursement unless they have been reviewed and approved by the state matching funds program manager prior to submission of a Reimbursement Request form for expenditures relating to these items.

Section 6. Requirements for and Types of Promotional Projects and Allowable Costs and Bid Requirements. (1) Tourism publications, videos, CDs, and DVDs and meeting, convention, and sports-marketing tools.

(a) Types of travel related brochures, CDs, DVDs, and videos that highlight the attractions, facilities, meeting and convention, sports-marketing capabilities, sporting venues, and special events of the tourism region or local area and that encourage travelers to stop and visit shall be eligible for reimbursement and include:

1. Tourism region and local area visitor's guides;
2. General festival brochures;
3. Group tour publications; and
4. Brochures, videos, CDs, and DVDs promoting tourist attractions open to the public for regu-

lar hours.

(b) Costs that exceed the advertising revenue shall be eligible for reimbursement if the expenditures were for brochures or other publications.

(c) A brochure that lists another state's attraction, business, or facilities shall be eligible for forty (40) percent or twenty-five (25) percent depending on reimbursement of costs depending on the applicant's eligibility for a fifty (50) or eighty (80) percent reimbursement of costs as established in Section 2(5) of this administrative regulation.

(d) Brochures, other publications, and videos shall include the following information, as applicable:

1. A description of points of interest, recreational opportunities, and listing of services, including food, lodging, and camping facilities;
2. Landmarks that relate to the history or tradition of the area, or of architectural interest, such as buildings listed on the state or national register;
3. Attractions open to the public, such as theaters and museums, including the:
 - a. Date and time that they are open to the public;
 - b. Admission fee, if applicable;
 - c. Attraction location;
 - d. Mailing address;
 - e. Telephone number; and
 - f. Web site address, if applicable;
4. Information relating to recreational activities and attractions, such as fishing, water sports, and hiking, and required fees;
5. A list of tourism region or tourism-related local area events;
6. The telephone number and Web site address of the state travel information office; and
7. Current maps of the tourism region, with major highways and access routes into the area clearly marked, and a chart listing mileage from major cities outside the immediate local area or tourism region.

(e) If possible, the title of a brochure shall be placed at the top of the publication for placement in a brochure rack.

(f) A brochure shall be professionally typeset.

(g) If feasible, to save costs, brochures shall:

1. Consist of the lightest possible paper weight and cover stock, and the least number of pages possible;
2. Be manufactured from recycled paper; and
3. Be designed as self-mailers.

(h) The front or back cover of a brochure shall include the Kentucky state official tourism advertising theme, which shall be obtained from the state matching funds program manager.

(i) A tag line stating: "Printed in cooperation with the Kentucky Department of Tourism" shall be included in a brochure.

(j) A tourism region brochure shall:

1. Include a four (4) color brochure cover;
2. The telephone number and or Web site address of the state tourism information office;
3. Include a map of the tourism region that shall be:
 - a. Prominently placed in the brochure;
 - b. Of at least eight (8) point font size, in order to be of sufficient size to be easily read;
 - c. Of sufficient detail to show major traffic arteries, primary cities and towns, lakes and other natural attractions, and shall be and keyed to the major attractions addressed in the brochure; and
4. Emphasize the tourism region as a whole and shall not favor a particular area of the region.

(k) An advertisement may be sold to a business and included in a tourism region brochure to

supplement the cost of a tourism region brochure if the:

1. Ratio of advertising to editorial space does not exceed 2:3;
2. Advertiser provides a tourism-oriented service directly to travelers; or
3. Theme and content of advertisements promote tourism in the region.

(l) Distribution plan and services. A distribution plan for the distribution of brochures to potential tourists shall be developed with the following distribution sources:

1. Tourist commissions;
2. State and local welcome centers;
3. State Tourism Department;
4. Consumer travel shows; and
5. similar distribution sources.

(m) A distribution plan shall include a method for responding to inquiries resulting from state, tourism region and local area tourism advertising campaigns.

(n)1. If the total printing cost of a publication, excluding layout and design expenses, exceeds \$1,000, three (3) written bids shall be obtained.

2. Bids shall not be required for reprints made with only minor changes.

(o) A publication, video, CD, or DVD shall be submitted to the state matching funds program manager review and approval, prior to completion.

(p) The state matching funds program manager shall review submissions within five (5) business days after receipt.

(2) Media advertisements and tourism region press kits.

(a) A media tourism advertisement may be placed:

1. In a newspaper, magazine, or other periodical;
2. On the radio or television;
3. On video tape, CD, or DVD travelogue; or
4. On electronic media such as the Internet.

(b) A media tourism advertisement shall include:

1. An address, telephone number, or Web site address to be contacted for more information;
2. The official state advertising theme; and
3. General information about the tourism region in addition to specific information relating to an event, attraction, or geographic area promoted in the advertisement.

(c) Media costs.

1. Costs for tourism media advertisements, including media time, production costs, and media placement, shall be eligible for reimbursement.

2. Except as provided by this subsection, advertising placed with media located within a fifty (50) mile radius shall not be eligible for reimbursement.

3. All media advertisement costs placed in a tourist-oriented publication shall be eligible for reimbursement.

4. Percentage of reimbursement for media costs shall be:

a. Forty (40) percent of media costs for advertising placed with media located within a fifty (50) mile radius shall be eligible for reimbursement to convention and visitors' bureaus, tourism commissions, or designated marketing organizations; and

b. Twenty-five (25) percent of media costs for advertising placed with media located within a fifty (50) mile radius shall be eligible for reimbursement to organizations if the:

(i) Organization is located within a fifty (50) mile radius of a major media market listed in paragraph (d) of this subsection; and

(ii) Media cost is not a type listed as excluded in paragraph (e) of this subsection.

(d) Major media markets shall be:

1. Cincinnati, Ohio;

2. Evansville, Indiana;
3. Huntington, West Virginia;
4. Louisville, Kentucky;
5. Lexington, Kentucky;
6. Paducah, Kentucky; and
7. Bowling Green, Kentucky.

(e) Media advertisement costs shall not be eligible for reimbursement if they are incurred for advertisements that are:

1. Sponsored or advertised by tourism organizations in tourism region brochures that have been allocated state tourism matching funds; or

2. Funded through other cooperative advertising programs of the Kentucky Department of Tourism.

(f) Costs associated with media press kits and media relations programs shall be reimbursable.

(3) Brochure distribution services. Rental of rack space for the distribution of eligible promotional materials shall be eligible for reimbursement.

(4) Postage and freight costs for bulk mail, United Parcel Service, mailing firm, and actual postage costs excluding stamps and postage meters shall be eligible for reimbursement if they are incurred in:

- (a) Response to general tourist requests or media or group tour operator inquiries;

- (b) Shipping tourism promotional literature and displays for use at consumer travel shows and group tour marketplaces; or

- (c) Conventions, meetings, or sports-marketing expenses.

(5) Rental of a billboard, tourist-oriented directional signage (TODS), fifth legends or attraction logos, including related artwork, design, and production costs shall be eligible for reimbursement if it:

- (a) Promotes specific attractions, events, availability of food, lodging, camping or other services;

- (b) Is placed on interstates or other major access highways outside a twenty (20) mile radius; or

- (c) Does not consist solely of language welcoming a visitor to a community or region.

(6)(a) Consumer travel show; group tour marketplaces; meeting, convention, or sports-marketing trade show or exposition. costs.:

1. Promote an attraction, event, or geographic area;

2. Are not a county fair or festival;

3. Are not expended for booth space costs at industrial solicitation events;

4. Are expended for consumer travel shows and group tour marketplaces located more than forty (40) miles from the event, attraction, or geographical area promoted;

5. Are expended for the purchase and maintenance of exhibits such as display assembly, artwork, transparencies, photographs, brochure racks, consumer travel show or group tour marketplace booth space, or furniture rental;

6. Are registration fees to interview prospective tour operators;

7. Are for shipping costs of displays and promotional material; or

8. Are rental fees for audio-visual equipment and material.

(b) A tourism region group shall be eligible for reimbursement of membership dues for major tourism associations, if membership is required to participate in advertising or promotional ventures.

(c)1. A tourism region group shall be eligible for a seventy (70) dollars per diem for a maximum of two (2) persons who serve as staff for tourism region travel booths at a consumer travel show or group tour marketplace if:

- a. Booths are staffed continuously during event hours; and

b. The header, transparencies, photos, and region or local tourism brochures are representative of the tourism region or local areas within the tourism region.

2. The per diem shall be paid to the tourism region committee.

(e) Transportation costs related to a tourism region's attendance at a consumer travel show or group tour marketplace shall not be eligible for reimbursement.

(7) Familiarize trips and site visits.

(a) Familiarization visits for planners and media staff shall be eligible for tourism matching funds if the efforts are based on future business to Kentucky.

(b) Event planners include the following:

1. Meeting planners;
2. Group travel planners;
3. Reunion planners;
4. Sports planners or rights holders; and
5. Media staff.

(c) Reimbursement shall be based on cash expenditures and not in-kind amenities.

(d) Airline fees and mileage costs up to \$300, based on the state's current vehicle mileage rate per person (excluding any additional guests), shall be eligible for reimbursement.

(8) Sponsorship of tourism trade shows and events.

(a) Sponsorship of tourism trade shows, conferences and events are eligible for reimbursement if the sponsorship opportunity may create an economic impact for the state.

(b) Sponsorship opportunities include the following:

1. Meal functions;
2. Tangibles such as name badges, lanyards, and registration bags;
3. Education sessions and materials; and
4. Overall conference partner or sponsor of total event.

(c) Reimbursement shall be for cash expenditures and not in kind amenities.

(d)1. Expenses for hospitality events that include alcohol or a sponsorship package shall not be eligible for reimbursement.

2. Gratuities, service charges, and tips shall not be eligible for reimbursements.

(9) Bid fees to assist in bringing events to Kentucky.

(a) Fees involved in securing and attracting events in an effort to attract sports events or conventions and meetings to the state shall be eligible for reimbursement.

(b) To be eligible for reimbursement, the event shall have at least a five (5) year history in other locations. Events previously held in Kentucky are eligible if proof is provided that the event has been or will be secured through a competitive bid process.

(c) An applicant shall include a letter of award of event if submitting a Reimbursement Request when submitting reimbursement.

(10) Internet and Web site.

(a) Costs associated with the design, hosting, and maintenance of tourism related Web sites shall be eligible for reimbursement if the current state tourism brand and logo with a link to the Department of Tourism's Web site and regional Web site are on the applicant's home page.

(b) A Web site that contains paid advertisements shall not be eligible for reimbursement.

(c) If applicable, a Web site shall include the following information:

1. A description of points of interest, recreational opportunities, and services, including:
 - a. Food;
 - b. Lodging; and
 - c. Camping facilities;
2. Landmark features related to the area's history or tradition or landmark features that are of architectural interest;

3. Attractions open to the public such as theaters and museums, including the:
 - a. Time and date the attraction is open to the public;
 - b. Admission fee;
 - c. Attraction's address, telephone number, and Web site address;
4. Recreational activities and applicable license information for attractions such as:
 - a. Fishing;
 - b. Water Sports;
 - c. Hiking; and
 - d. Golfing;
5. A Listing of area or regional tourism-related events; and
6. Current area maps with major highways and access routes into the area clearly marked as well as mileage from other cities.

(11) The following items shall not be eligible for reimbursement:

- (a) Industrial incentive brochures;
- (b) General community relocation and development brochures;
- (c) City or county, or city-county maps or directories that list businesses and services;
- (d) Items related to theatrical productions, such as programs, playbills, or posters;
- (e) Table tents;
- (f) Material related to membership and subscription solicitation;
- (g) Registration and entry forms;
- (h) Event and contest category or regulation material;
- (i) Entertainment expenses;
- (j) Excluding group tour marketplaces, registration expenses for conferences and meetings;
- (k) Research projects such as marketing or feasibility studies;
- (l) Unless requested in advance by a tourism region, expenses for,, bumper stickers, posters, banners, flags, postcards, lapel pins, bags, or other types of specialty advertising;
- (m) Prizes, trophies, plaques, decorations, paint supplies, and poster board;
- (n) Items for resale;
- (o) Amounts paid for Kentucky sales tax;
- (p) Except for tourism region organizations, stationery, letterhead, envelopes, general office supplies and material;
- (q) Salaries or other compensation for the staff or personnel of a tourism region committee;
- (r) General operating and administrative costs;
- (s) Finance charges or late payment fees;
- (t) Quick-print material such as flyers, handbills, or circulars; and
- (u) Expenditures in violation of law.

Section 7. Matching Funds Application. (1) A Matching Funds Application may be submitted by a local organization that is not a convention and visitors' bureau, tourism commission, or designated marketing organization but is a nonprofit entity prior to May 1 for eligible:

- (a) Projects that have been or will be completed during the matching funds program cycle; and
- (b) Expenses totaling at least \$1,000 for a project, or several projects.

(2) A Matching Funds Application shall include a detailed list of eligible tourism projects that will be completed during the current program cycle, and the following information for each project:

- (a) Its direct relation to the promotion of tourism;
- (b) Its ability to attract visitors from outside the immediate area;
- (c) Its potential to enhance local, tourism region, or state economies;
- (d) The cost estimates; and
- (e) The completion date.

(3) An applicant shall submit proof of the applicant's nonprofit status with the Matching Funds Application as follows:

(a) A tourism region committee shall submit a copy of the committee's:

1. Articles of incorporation as a nonprofit, nonstock corporation pursuant to KRS 273.161 through 273.405; and

2. Bylaws.

(b) A local tourism commission shall submit a copy of the ordinance establishing the commission.

(c) Other local organizations shall submit a copy of the:

1. Federal or state determination of tax exempt status; or

2. Articles of incorporation as a nonprofit, nonstock corporation pursuant to KRS 273.161 through 273.405.

(4) Guidance regarding the application process is established in the Samples of Completed Forms.

Section 8. Approval of Matching. Applications. (1) The state matching funds program manager shall:

(a) Review each Matching Funds Application and determine the applicant's eligibility for reimbursement in accordance with Sections 2, 5, 6, 7, and 9 of this administrative regulation; and

(b) Transmit copies of eligible Matching Funds Applications to the members of appropriate tourism region committees.

(2) The state matching funds program manager or assistant state matching funds program manager shall hold allocation meetings in each of the nine (9) tourism regions with the tourism region committee for the region to:

(a) Discuss the regional marketing and matching funds program;

(b) Review and establish priorities for local organization Matching Funds Applications;

(c) Screen local Matching Funds Applications for eligibility;

(d) Discuss each project's:

1. Direct relationship to tourism promotion;

2. Ability to attract visitors into the tourism region;

3. Impact on local, tourism region, and state economies; and

4. Compatibility with the marketing goals of the tourism region;

(e) Recommend the distribution of local funds; and

(f) Review and discuss the tourism region Matching Funds Application.

(c) A tourism region committee shall submit a recommendation for each applicant within the tourism region to the state matching funds program manager.

(d) The state matching funds program manager shall base the allocation determination on:

(a) The items specified in subsection (2) of this section;

(b) If applicable, an applicant's successful completion of similar projects; and

(c) The availability of funds.

(5) The state matching funds program manager shall mail to each applicant a:

(a) "Project Agreement" form to each approved applicant stating the amount of the state matching funds allocation for the matching funds program cycle; or

(b) Letter stating why an applicant's projects have been denied funding; and

(c) Copy of the Matching Funds Application submitted by each applicant, indicating approved and disapproved projects.

(6) An applicant shall sign and return the Project Agreement form to the state matching funds program manager.

Section 9. Reimbursement. (1)(a) A local project shall be eligible for reimbursement for eighty (80) or fifty (50) percent of its total expenditures that do not exceed the amount allocated by the state matching funds program.

(b) A tourism region project shall be eligible for reimbursement for 100 percent of the project's total expenditures that do not exceed the amount allocated by the state matching funds program.

(2) Requests for reimbursement shall not be made until at least \$1,000 has been expended.

(3) Reimbursement shall be limited to projects that:

(a) Were included on a Matching Funds Application;

(b) Were compliant with the eligibility and reimbursement requirements established in Sections 2, 5, 6, 7, and 9 of this administrative regulation; and

(c) Have been completed.

(4) In-kind contributions shall not be reimbursed, and shall not be included as part of an applicant's match.

(5) A request for reimbursement shall be made on the Reimbursement Request form which shall:

(a) Be submitted to the state matching funds program manager on or before February 1 or August 1;

(b) Be signed; and

(c) State the federal identification number of the organization.

(6) Checks submitted as documentation shall be issued by the organization that applied for matching funds.

(7) The following information shall be attached to the Reimbursement Request form:

(a) A copy of each vendor's invoice;

(b) A copy of the front and back of each canceled check;

(c) For local projects, proof of payment of all expenditures;

(d) For tourism region projects, proof of payment of twenty (20) percent of expenditures;

(e) Four (4) completed brochures;

(f) For publications or videos, a copy of invoices, with a breakdown of layout and design costs, the number of copies printed, and other related expenses;

(g) If printing costs exceed \$1,000, a copy of three (3) written bids;

(h) One (1) duplicate of a completed video, CD, or DVD;

(i) One (1) original tear sheet of advertisements as they appeared in the print media including date of issue and, for regional projects, a cover of the publication;

(j) One (1) typed transcript or a tape of a radio; television; or video-tape, CD, or DVD travelogue advertisement;

(k) A copy of a press kit;

(l) Documentation of the distance of media from the event, attraction, or area promoted;

(m) One (1) photograph of a completed billboard and signage advertisement;

(n) Documentation of the location and dates of service for billboard and signage rentals;

(o) Documentation of the location, distribution routes, and dates for distribution services;

(p) Documentation of postage expenses, including postage invoices or paid receipts, list of names, addresses, and material mailed;

(q) Verification of attendance at consumer travel shows or group tour marketplaces, including signed agreements or contracts;

(r) Verification of regional travel show or group tour marketplace per diem, including a completed and signed Tourism Region Per Diem Reimbursement Form; and

(8) For tourism region projects, proof of payment of the remaining eighty (80) percent of expenditures shall be submitted after receipt of state matching funds; and

(9) Guidance regarding the reimbursement process is established in the:

- (a) List of Documentation and Requirements for Reimbursement Per Project; and
- (b) Samples of Completed Forms.

Section 10. Forfeited and Unused Funds. (1) Funds allocated to an approved project shall be forfeited if:

- (a) Documentation required by the provisions of this administrative regulation is not submitted before February 1 and August 1;
 - (b) An approved project does not materialize;
 - (c) A completed project did not remain in compliance with program requirements;
 - (d) Funding is denied because the expenses of an approved project are improperly documented;
 - (e) Funds were spent on the project.
- (2) At the end of a Regional and Matching Funds Program cycle, forfeited and unused funds shall be utilized by the Department of Tourism for advertising and marketing promotions.

Section 11. Audits. The department may request the State Auditor to audit a tourism project governed by this administrative regulation.

Section 12. Incorporation by Reference. (1) The following material is incorporated by reference:

- (a) "Matching Funds Application", September 2007;
- (b) "Reimbursement Request", September 2007;
- (c) "Project Agreement", September 2007;
- (d) "List of Documentation & Requirements for Reimbursement Per Project", September 2007;
- (e) "Tourism Region Per Diem Reimbursement Form", 1996;
- (f) "Tourism Regions Map", 1996;
- (g) "Samples of Completed Forms", September 2007; and
- (h) "Designated Marketing Organization", 2007;

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, from the Department of Tourism, Division of Marketing and Advertising, Capital Plaza Tower, 500 Mero Street, Room 2200, Frankfort Kentucky 40601, (telephone (502) 564-4930, fax (502) 564-5695), Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available at the Department of Tourism's Web site at www.kytourism.com/industry/mfunds. (22 Ky.R. 635; 1828; eff. 4-5-1996; 34 Ky.R. 357; 717; 11-2-2007.)