

General

1. Who will be receiving these funds?
 - Only the Destination Marketing Organizations (“DMOs”) designated by the state of Tennessee are eligible to receive funding under this program. DMOs from every Tennessee county have been allocated funding under this program.
2. How much funding will my DMO receive?
 - The allocation amounts by county can be found at <https://industry.tnvacation.com/american-rescue-plan>. Recipients will have access to an online dashboard showing their total allocation and the available balance of funds throughout the duration of the program.
3. Will the funds be disbursed on a reimbursement basis, or advanced to the DMOs?
 - Funds will be available on a reimbursement basis after eligible program expenses have been incurred and paid. A portal will be available for DMOs to make reimbursement requests.
4. What does a DMO need to do to receive its allocated funds?
 - DMOs must log into their account in the portal and first submit a Spend Plan outlining their plans for spending their allocated funds. Once their plan has been approved, they may begin submitting requests to be reimbursed for expenditures once they’ve been incurred and paid.
5. Are we required to spend the applicable funds each year, or will they carry forward to the next year if unspent?
 - Your unspent funds will carry forward throughout the life of the program. Remember, funds must be obligated by the end of 2024, even if they are not spent until later in the program.
6. What is the deadline to spend funds?
 - Funds must be obligated by December 31, 2024, and spent by November 30, 2026. To satisfy the obligation requirement, you will be required to have approved spending plans in the portal including all remaining unspent funds by December 31, 2024.

Uniform Guidance

7. What is the guidance on how DMOs are allowed to handle funding from the Tennessee Tourism and Hospitality Recovery Fund to ensure compliance with the federal Uniform Guidance?
 - Because the fund is drawn on ARPA funds, fund recipients must comply with the federal Uniform Guidance (2 CFR 200).
 - To comply with 2 CFR 200, recipients need to understand what type of entity they are. All DMO’s are considered sub-recipients and must follow the applicable rules for sub-recipients.
 - Because they are considered sub-recipients, DMO’s have several important obligations under the Uniform Guidance, which, without limitation, include the following:
 - Procurement requirements – further guidance is provided below.
 - Audit requirements – further guidance is provided below.
 - DMOs must complete a Subrecipient Risk Assessment form prior to receiving access to the portal.
8. What are the Procurement Requirements?
 - Procurement Requirements – Sub-recipients are required to follow a procurement process that is as stringent if not more stringent than the federal procurement requirements contained in the Uniform Guidance. In some cases, that may require purchases of eligible goods and

services to be procured through a competitive bidding process, depending on the circumstances.

9. How will I know if I need to complete a competitive procurement process?
 - Micro-purchases under \$10,000 do not require formal bids. Between \$10,000 and \$250,000 will require 3 quotes and documentation about why that vendor was selected. For larger amounts, a formal procurement process is required, using either sealed bids or proposals. Please see § 2 CFR 200.320 for more information about methods of procurement.
10. If we run separate ad campaigns in a year with a single vendor where each campaign totals less than \$10K, does that fall under the Micro-Purchase level, or would the total spend in a year be combined to push that into the Small Purchase category?
 - This would depend on the way each campaign is treated in terms of contracting. If each individual campaign is treated a separate purchase with its own contract, each campaign would be considered its own procurement. If all of the campaigns are procured together and included in the same contract, the Micro vs. Small Purchase determination would be based on the overall contract price.
11. What if a contract for goods or services has already been entered into?
 - If a contract has already been entered into, you may need to go back and engage in a procurement process. Unless the purchase qualifies for noncompetitive procurement (see below), you will need to halt any further work or delivery under that contract and engage in a procurement process. That will require soliciting bids from that vendor and others. You have the option to select your previously selected vendor, but you must document why you chose them after seeking and considering all bids. Vendor selection should be consistent with the requirements outlined in the Uniform Guidance.
12. If a new Marketing Campaign will cost over \$10,000, but there are different aspects like agency cost, billboard costs, social media, etc, from different vendors, then is that a small or micro purchase?
 - Each individual purchase would be considered its own procurement, so the Micro-Purchase vs. Small Purchase determination would depend on the cost of each separate purchase.
13. What qualifies as a single source?
 - Single source good or services are those that are only provided by one vendor. For example, there is only one New York Times, so if placing an ad in the New York Times is determined to be the preferred marketing strategy, purchasing that advertisement does not require a competitive process. You must still show that you completed research to determine that the vendor was a single source vendor (in other words, in the case of an advertisement, that it was uniquely positioned to reach the desired market – the target viewers, listeners, etc.).
14. If you have a small purchase but only one vendor that provides the product are you exempt from getting bids?
 - If only one vendor provides the service or goods that you are seeking, that would be considered a sole source procurement, and you would not be required to seek bids or quotes from other sources.
15. Can we use a vendor with a contract that was created prior who is on retainer, or who is an approved vendor?
 - No, existing retainer contracts are not allowed to be utilized under the Uniform Guidance (despite the fact that they may be more efficient in some cases, due to the history with the

vendor). You must enter into a competitive procurement process to select a vendor. You may select your legacy vendor, but a separate contract is required, and you must document why you selected that vendor and that you completed the procurement process.

16. Can you provide an example of a Cost Plus Percentage of Cost contract type?

- Commission fees paid to a production agency would be a prime example of a Cost Plus Percentage contract type if the commission is based on a percentage of the overall service cost. A solution to avoid this issue would be to negotiate a fixed fee in lieu of the variable commission.

17. Are funding recipients required to have a procurement policy in place? How detailed does this need to be?

- Yes, funding recipients are required to have a procurement policy in place if they are requesting reimbursement for expenses that are subject to the Uniform Guidance procurement rules. Federal guidance does not specify the level of detail necessary, simply that a policy should be in place. The following resources provide some sample policy language that may be adapted by your organization upon creating a policy.
 - https://www.sog.unc.edu/sites/default/files/general_media/Sample%20UG%20Procurement%20Policy_2.docx
 - https://www.sog.unc.edu/sites/www.sog.unc.edu/files/general_media/Sample%20UG%20Conflicts%20and%20Gifts%20Policy_0.docx

18. What are the regulations for completing a single audit?

- § 2 CFR 200.501 Audit requirements state that a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year.

Spending Plan

19. Will there be help with strategic planning?

- Yes, TDTD and Horne will assist with any questions that arise when preparing your spend plan.

20. Do we have to include the plan for all our allocation or just the 25% annually?

- The spend plan will be completed each year to tell us about your general plans for that year.

21. If you do the Operating Expenses reimbursement route, do you have to do a spending plan for those funds to show what transformational marketing you are going to do?

- Yes, you will still have to submit a spending plan. You will include the operating expenses in your Spending Plan for Reimbursement, and your transformational project(s) in the Transformational Change Plan.

22. How do we determine which expense category to choose on the spending plan template?

- You may reference the following examples for each category to assist you in determining the appropriate category:
 1. The "Payroll" category is for payroll expenses including employee benefits and employer portion of payroll expenses.
 2. The "Other Operating Expenses" category is for expenses that include lease & utility payments for facilities open prior to the pandemic, maintenance for facilities and equipment, etc.

3. The “Paid Media” category is for marketing efforts that involve a paid placement, such as pay-per-click advertising, branded content and display ads.
4. The “Public Relations/Sales” category is for marketing efforts that include hosting journalists and/or tour operators and attending trade shows.
5. The “Marketing Production” category is for expenses that include photography, videography, editing, graphic design, etc.
6. The “Tourism Product Development” category is for expenses that include content creation, awareness campaigns, starting/creating events, etc.

Expense Reimbursement

23. Is there a limit on the number of expense reimbursement requests a DMO may submit?

- No, there is no limit on the number of reimbursement requests a DMO may submit, but each request must contain at least \$1,000 of expenses.

24. What substantiating documentation for program expenses will be required?

- Reference the Required Documentation Guide for a detailed list of required documentation.

25. What operating expenses may be reimbursed under this program?

- Payroll Expense
 - DMOs should prioritize submitting lower-level employees’ payroll costs first, then work up towards officers/executives.
 - Payroll expense may include covered employee benefits (i.e., leave, employee insurance, pensions, and unemployment benefit plans).
 - Employer portion of payroll taxes is also eligible for reimbursement.

**Note that payroll expenses must be reasonable and consistent with the DMO’s written policies.*

- Equipment less than \$5,000 for new employee positions hired
 - I.e., computer, other technology such as licenses, office supplies specific to the person/position, etc.
- Lease payments for facilities open prior to the pandemic
- Utility expenses for facilities open prior to the pandemic
 - I.e., Water, electricity, garbage pickup
- Maintenance of facilities existing prior to the pandemic
- Maintenance of equipment existing prior to the pandemic

**Note that operating expenses may still be subject to additional procurement considerations depending on the cost and nature of the contract/purchase.*

26. What type of operating expenses would be required to follow the procurement process?

- All of the operating expenses listed above, except for payroll, would need to comply with the procurement requirements. The full ARPA program requirements apply to all goods or services funded in part or in whole with ARPA funds. Included with those requirements are the federal procurement standards, which must be followed for the acquisition of all goods or services, including the operating expenses listed above, apart from Payroll Expense.

27. How will I receive the payment for reimbursement?

- Payments will be made following the settings associated with your supplier ID in the Tennessee Edison system.
28. When is the deadline to spend the funds?
- Funds must be fully committed and obligated by December 31, 2024, and fully expended by June 30, 2026.
29. Do expenses have to be incurred by the DMO or can local governments spend the funds on the DMOs behalf and receive reimbursement?
- Expenses must be incurred by the DMO to be eligible.
30. Are the expenses for hiring contract or temporary employees eligible?
- Yes.
31. Are “bricks and mortar: transformational projects eligible?
- No, construction is not an eligible expense.
32. Can we only use first year funds to reimburse for past projects in 2022?
- No, you can use them for future projects if needed.
33. Can funds be used for both operating and transformational expenses?
- Yes, you can choose to mix your eligible expenses or “paths” to reimbursement.
34. Can the funds be used on new signage for the city?
- Likely yes. These will be evaluated on a case-by-case basis to ensure the plan meets the requirements.
35. Can DMOs who are members of Chambers of Commerce use eligibility path #2 (operating expenses)?
- Yes, as long as payroll submitted is for employees that perform tourism related work.
36. Would the utility and maintenance of a newly acquired event lot be eligible?
- Yes, operating expenses since the acquisition of the lot would be eligible.
37. If we use the funds for a planned transformational project that does not produce the desired results, will there be repercussions?
- No, please just learn and adjust moving forward.
38. Is the purchase of a vehicle dedicated to solely to Tourism eligible?
- No, vehicles are an ineligible use of funds.
39. Are billboards eligible?
- Yes, provided that you can explain how the billboard will be transformational in drawing more visitors to your area.
40. Are murals eligible?
- Murals may be eligible, provided that you can explain the transformational impact the mural will have in terms of drawing more visitors to your area.

41. Can the funds be used to payoff a loan procured during the pandemic to create cash flow pertaining to a grant?
- No, the funds can not be used to directly payoff a loan. However, you can request reimbursement for the expenses that you took the loan out for originally and in turn pay back the loan.
42. Can expenditures that were funded with other grants be submitted?
- No, nothing that has been funded with other State or Federal dollars is eligible.
43. Can the funds be used to recover funds in the percentage of a grant to grow recover operating capital?
- No, only revenue loss funds can be used for non-Federal match.
44. Can transformational marketing projects include efforts conducted between December 2021 and now?
- Yes, expenses related to projects you have already begun or completed incurred back to December 1, 2021, would be eligible, given that they are transformational in nature.
39. Can operational expenses be requested through the end of the year and just get reimbursed in two or three disbursements as they happen?
- Yes. You can submit a spending plan that includes all the operating expenses. Then you can submit multiple reimbursement requests as your allocation is available that tie to that spending plan.
40. Do all purchases have to be tax exempt?
- No. If you are required to pay taxes, then they are reimbursable. However, if you are tax-exempt and for some reason pay tax on a purchase, then the tax would NOT be reimbursable.
45. Can we use the funds to purchase equipment?
- Equipment purchases of \$5,000 or greater will be ineligible. Other equipment purchases may be eligible depending on your use of them and the impact they will have.
46. Are fees paid to a third-party payroll service provider eligible for reimbursement?
- Yes, but in order to be reimbursed you would need to follow the appropriate procurement guidelines when selecting your vendor, including having a procurement policy in place for your organization.