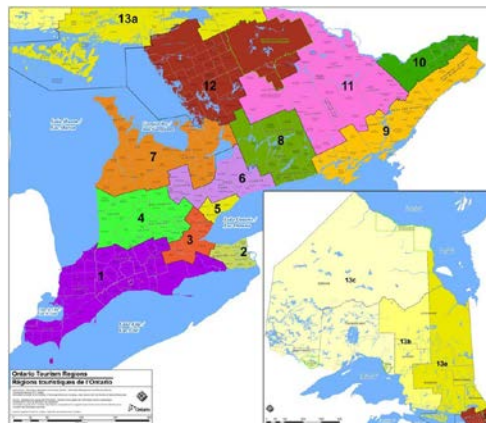


**Ministry of Tourism, Culture and Sport**

# **Regional Tourism Organizations Guide for 2016-17**



**November 2015**

*This document is for Regional Tourism Organizations funded by the Ministry of Tourism, Culture and Sport to provide leadership in supporting competitive and sustainable tourism regions in Ontario.*

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# How the Guide is Organized

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## **Section 1: Introduction**

This section provides an overview of this Guide and the Ministry of Tourism, Culture and Sport's (the Ministry) regional tourism approach, goals and objectives, performance measures framework and key priorities.

## **Section 2: Transfer Payment Accountability Directive**

This section describes Ontario government requirements for good governance and accountability practices as outlined in the Ontario government Transfer Payment Accountability Directive.

## **Section 3: Transfer Payment Agreement**

This section describes the Transfer Payment Agreement (TPA), its clauses and schedules and the Ministry/Regional Tourism Organization (RTO) negotiating process and timelines.

## **Section 4: Schedules**

This section provides RTOs with detailed direction on developing plans and budgets and what the Ministry requires and looks for in reports and financial statements.

## **Section 5: Partnership Allocation**

This section discusses the goals of partnership allocations and the associated eligibility rules and processes for RTOs to carry out this portion of the program successfully.

## **Section 6: Resources**

This section provides RTOs with information on frequently asked topics, best practices and relevant resources.

## **Contacts for further information**

# What's Changed

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## Section 1

- Added information about Ontario Government strategic priorities

## Section 2

- Clarified the applicability of the Broader Public Sector Accountability Act to RTOs

## Section 3

- Revised to reflect the current sections of the TPA
- Updated TPA preparation process and timelines
- Revised section on in-year amendments

## Section 4

- Revised to reflect the current sections of the TPA
- Revised descriptions on the uses of Schedules C and D
- Revised information about what the Ministry looks for in a Business and Marketing Plan
- Added information about the payment plan for 2016-17
- Clarified the requirements for financial statements

## Section 5

- Updated partnership allocation process
- Clarified information about ineligible partners and contributions
- Update to reporting on partnership projects

## Section 6

- Revised section on eligible and ineligible costs
- Revised section on HST
- Added section on interest
- Revised procurement section to reflect current TPA
- Clarified acknowledgement requirements
- Added information about French language service requirements

## Section 1: Introduction

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### PURPOSE

The purpose of this guide is to provide the board members and staff of Ontario's 13 RTOs with the parameters that will allow the development of effective proposals. This includes outlining the government requirements that must be met to ensure effective and appropriate use of public funds. This guide is intended to help RTOs understand their responsibilities as transfer payment recipients and the Ontario government financial policies and directives. The information provided in this guide will be updated on a regular basis.

### CONTEXT

#### The Regional Tourism Approach

The 2009 Ontario Tourism Competitiveness Study made 20 recommendations to government on how to grow tourism in Ontario. One of these recommendations was to establish tourism regions, each with their own destination marketing and management organization, to better coordinate tourism activities across the province. In response, the Ministry established 13 tourism regions, each with a strong RTO, to create a more competitive and coordinated tourism industry in Ontario. RTOs are independent, industry-led, incorporated not-for-profit organizations.

The Ministry's [Regional Tourism Unit](#) (RTU) is responsible for providing support and advice to the RTOs.

#### Ontario's Regional Tourism Organizations

RTOs lead tourism growth in the regions by coordinating the development and delivery of tourism strategies in partnership with local tourism operators and other industry stakeholders (e.g., Destination Marketing Organizations).

RTOs are active participants in the regions and are responsible for:

- Undertaking research to identify strengths, gaps and opportunities to inform regional activities and decisions;
- Developing and delivering marketing campaigns;
- Offering training to tourism operators and stakeholders (e.g., frontline customer service training, utilizing technology and social media, etc.);

- Attracting new, and retaining existing, tourism investments; and,
- Undertaking activities to create tourism assets that benefit the region such as creating product inventories, signage/way-finding, offering visitor itinerary customization capabilities, and providing regional booking engines.

RTOs are responsible for working with industry partners to grow tourism through activities such as strategic planning, research, product development, workforce development, investment attraction and marketing.

The Ministry strongly encourages RTOs to work with all tourism partners including other regions, sector-based organizations, municipalities and other organizations on matters of mutual interest. Strong partnerships and a coordinated approach are essential to the future sustainability of tourism across the province.

## **RTO Funding**

The funding approach for each region consists of three components:

### ***Base Funding***

- Each RTO receives \$500,000 in base funding.

### ***Proportional Allocation***

- Each RTO receives proportional funding. As a means of determining proportional allocations, historical tourism data (such as overnight visits) are used to calculate each region's contribution to tourism.

### ***Partnership Allocation***

- RTOs are eligible to receive additional funds from the Ministry where the RTO can demonstrate they have secured funds from eligible partners in support of regional activities.
- Partnership allocation is capped at a maximum of 20% of the proportional allocation available to the RTO to a maximum of \$1.5 million.

RTO funding is to build-on (not replace or compete with) municipal and other existing supports for tourism.

## Goals and Objectives

The goals and objectives of the regional tourism framework are for the RTOs to provide leadership and coordination to support competitive and sustainable tourism regions. As a result, each region is better equipped to attract more visitors, generate more economic activity, and create more jobs across the province.

## Performance Measures

Performance measures are intended to clarify goals, document the contribution toward achieving those goals, and document the benefits of the program and services. Developing performance measures should be part of the planning process to see the impact programs and products have on tourism in the region. Performance measures also help to maximize the impact of dollars spent on programs, products and services. Performance and/or outcome measurement is not simply a count of activity or units rather it is a process of determining what needs to be measured, then gathering data to measure progress towards the achievement of the outcomes.

The Ministry worked with the RTOs to develop a Performance Measurement Framework including a logic model and eight strategic performance measures that would be used by all RTOs. A Performance Measurement Glossary was also created to address the issue of multiple definitions for terms and ensure consistency in RTO performance measurement understanding and practice.

Pillar	Performance Measure	Rationale
Product Development	1. Change in the number of new products and experiences and/or the number of existing products and experiences enhanced, in market	Helping develop and enhance new products and experiences is a core activity
	2. Increase in the percentage of RTO's aided brand awareness	Will allow RTOs to evaluate their efforts in making their region known to potential customers
Marketing	3. Increase in the return on investment (ROI) of RTO marketing campaign investments (e.g., increase in overnight and day trips, incremental visitor spending generated)	Will provide valid data for RTO decision-making and continuous improvement on marketing investment decisions



	4. Change in output measures including leveraged marketing from partners and earned media, web analytics and online bookings if applicable	Will assist RTOs in tracking trends in how effective their marketing efforts are and which channels are most successful at driving enquiries and bookings, both in-year and year-over-year
<b>Governance &amp; Administration</b> <i>(MTCS will administer the Stakeholder Survey every 2 years. RTOs may choose to administer their own survey in alternate years.)</i>	5. Percentage and percentage change of industry stakeholders that have partnered and collaborated in RTO activities	RTOs will gain insights into their effectiveness in building relationships with industry stakeholders
	6. Percentage and percentage change of stakeholders satisfied with RTO activities	RTOs will gain insights into their effectiveness in building <i>valued</i> relationships with industry stakeholders
<b>Workforce Development</b>	7. Percentage of industry operators who report business/customer improvement as a result of RTO-sponsored training (6-12 months post training)	RTOs will be able to evaluate how effective their workforce development initiatives are
<b>Investment Attraction</b>	8. Change in the number of outreach activities made to community and economic development organizations	Will encourage RTOs to form ties and coordinate efforts with other organizations that are potential partners

The development and implementation of the RTO performance measures supports continuous improvement while complementing regular reporting and TPA results. The fiscal year 2014-15 formed the baseline for these performance measures for the RTOs, while fiscal year 2015-16 was the first year that allowed for year-to-year comparisons in measuring progress. These performance measures are not intended to compare the RTOs or help determine or influence funding allocations. These performance measures are in addition to the operational measures identified through the TPA process.

The goal of this framework is to:

- Allow RTOs to maximize their effectiveness as regional tourism destination and marketing leaders and demonstrate value to stakeholders.
- Inform RTO strategic planning and decision-making.
- Assist RTOs in measuring progress and successes against objectives.
- Support continuous improvement – complement regular reporting and results.

- Allow Ministry to measure progress toward objectives and inform policy/program decision-making.
- Assist in helping ensure/demonstrate accountability.
- Help to tell the RTO story.

Documents, resources and tools related to the Performance Measurement Framework can be accessed on the [Tourism Regions Information Portal \(TRIP\)](#).

## **KEY PRIORITIES**

RTOs are expected to develop and deliver strategies to meet the following destination management priorities (pillars) in their region:

1. *Governance and Administration*
2. *Product Development*
3. *Investment Attraction/ Investor Relations*
4. *Workforce Development and Training*
5. *Marketing*

Example activities can include:

### **Governance and Administration**

- Develop a regional strategy, including the vision, mission and values, and structure to support achievement of the RTOs purpose.
- Ensure an effective Board of Directors (e.g., governance training, board meetings, annual general meetings, selection/retention/succession planning, review and updating of by-laws).
- Staff the RTO with the right leadership and high performance employees.
- Define expectations, roles, responsibilities and decision-making authorities within the RTO and for the Board of Directors.
- Create controls over revenues and expenditures, ensure funds are appropriately used and prepare regular reports that compare actual financial results to budget (e.g. clean audit).
- Develop an engagement strategy that includes meaningful community outreach, stakeholder engagement, supports collaboration and development of partnerships.
- Ensure stakeholder confidence in the organization and communicate activities and results.
- Monitor the performance of the RTO against longer term objectives.

## **Product Development**

- Work with tourism partners to undertake research, surveys and data analysis.
- Collaborate with tourism partners to undertake product or asset inventories; develop itineraries; improve the market-readiness of existing tourism experiences; undertake market-match studies; showcase local distinctiveness; create/develop new niche tourism products to entice and target new visitors (e.g., gardens, culinary, golf, biking, etc.); create tour routes; implement signage; and/or enhance programming and interpretation of experiences.
- Adapt programs into other languages or accessible formats.
- Establish annual targets for each product development strategy, so that the results can be compared to the desired or expected return.

## **Investment Attraction / Investor Relations**

- Work with public and/or private sector partners (e.g., municipalities, economic development officers, tourism operators and investors) within the region to identify opportunities for new or existing tourism infrastructure investments.
- Reach out to existing tourism businesses/investors to help support tourism industry investments.
- Collaborate to identify tourism businesses/investor opportunities and encourage business expansion or new business development.
- Help the Province facilitate awareness of existing programs that can assist small and medium sized tourism businesses.

## **Workforce Development and Training**

- Work in collaboration with regional partners and other RTOs to develop tourism sector-based strategies that help address the needs of tourism employers and workers and provide visitors with enhanced experiences.
- Identify and participate in projects to address short- and long-term sector skill needs and other workforce development issues.
- Develop linkages with employment and training community partners and government programs to advance workforce development within the tourism sector.
- Establish annual targets for workforce/training strategies, so that the results can be compared to the desired or expected return.

## Marketing

- Work with tourism partners such as local Destination Marketing Organizations (DMOs), businesses, sector associations and the Ontario Tourism Marketing Partnership Corporation (OTMPC) to create a regional brand and marketing plan that wisely invests resources to maximum effect.
- Identify target markets (geographic and demographic) and determine marketing strategies and best tactics to implement (e.g., media relations, web presence, social media, tourism operation relations, advertising, collateral, consumer shows, direct marketing, etc.).
- Determine what will be advertised, who will produce it and what will be the estimated production time.
- Determine placement dates to ensure that the selected target markets can be successfully reached.
- Establish annual targets for each market/tactic, so that results can be compared to the desired or expected return.

RTOs are also encouraged to undertake projects and programs that support strategic priorities set by the Ontario government such as:

- Indigenous tourism;
- Francophone culture and heritage;
- Wine and Culinary;
- Trails;
- Cycling;
- Great Lakes and Waterways;
- The Accessibility for Ontarians with Disabilities Act;
- Youth Tourism Initiatives; and
- The 150<sup>th</sup> anniversary of *Canada's Constitution Act, 1867* which established the Confederation of Canada.

In addition, RTOs are encouraged to work with local and provincial Francophone stakeholders to determine when and how to:

- Use signage to ensure the visibility of French-language services;
- Translate documents produced for public use; and
- Provide French-language services to the public (in person, on the telephone, via the internet or by any other means).

## Section 2: Transfer Payment Accountability Directive

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All RTOs sign a Transfer Payment Agreement (TPA) with the Ministry that holds them accountable for how funding is to be used within the region. The TPA governs the contractual relationship between the Ontario government and the RTOs and is based on principles set out in the Ontario government Transfer Payment Accountability Directive (TPAD).

The TPAD includes key mandatory requirements for ministries to take a risk-based approach to the administration of transfer payments. The TPAD refers to those who receive transfer payments as “transfer payment recipients”, whether they are different levels of government, not-for-profit organizations, First Nations, for-profit operators, or individuals.

The principles in the TPAD are:

- Transfer payment recipients are responsible for undertaking provincially funded activities and are accountable to ministries for the funds they receive and the results achieved.
- At all times the government is held accountable for protecting the public interest.
- Risk assessment is used in the design of transfer payment programs, the selection of eligible transfer payment recipients to deliver programs, and the choice of appropriate accountability requirements for transfer payment agencies.
- Value for money is expected in the expenditure of government funds. Value for money is use of public resources with due regard for economy, efficiency and effectiveness.
- Transparency guides good governance and accountability practices for ministries, classified agencies, and transfer payment recipients.

## TP ACCOUNTABILITY CYCLE

The TPAD sets out a process called the TP Accountability Cycle, in which:

1. Expectations are clearly defined;
2. Agreements incorporating those expectations are established;
3. Ongoing monitoring and reporting demonstrates that expectations are met and objectives are achieved; and
4. Corrective action is taken if necessary.



## TP ROLES AND RESPONSIBILITIES

TP Cycle	Ministry Roles & Responsibilities	Transfer Payment Recipient Roles & Responsibilities
<b>Defining Expectations</b>	<ul style="list-style-type: none"> <li>• Be accountable to the elected Ontario Legislature for public funds.</li> <li>• Determine priorities for tourism funding, based on overall strategic priorities set by the Ontario government.</li> <li>• Ensure that funding partners are aware of government statutes, regulations, and policies and guidelines for funding transfer payment programs.</li> <li>• Set out expectations and requirements for good governance and accountability practices that will support effective use of public funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Be accountable to the Ministry for public funds received, including any funds paid to third parties in order to meet objectives (e.g. Outside Paid Resources)</li> <li>• Understand Ontario government and the Ministry priorities and know how the funding received relates to those priorities.</li> <li>• Comply with statutes, regulations policies and guidelines related to the public funds.</li> <li>• Comply with governance and accountability expectations and requirements to support effective use of public funds.</li> </ul>
<b>Agreements</b>	<ul style="list-style-type: none"> <li>• Set program targets to be achieved by Ministry funds.</li> <li>• Allocate Ministry resources and negotiate TPAs to support achievement of desired outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Use public funds effectively and efficiently according to targets set out in the TPA, other agreements or directions from the Ministry.</li> <li>• Design supports and services to achieve the Ministry priorities and objectives for public funds.</li> </ul>
<b>Monitoring and Reporting</b>	<ul style="list-style-type: none"> <li>• Monitor transfer payment recipient achievements against agreed upon deliverables.</li> <li>• Assess and manage risk as an integral part of the administration of transfer payment funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess and manage risks and implement action plans to reduce risk.</li> <li>• Prepare action plans in response to identified risks.</li> <li>• Report on deliverables as required in the TPA.</li> </ul>
<b>Corrective Action</b>	<ul style="list-style-type: none"> <li>• Take corrective action in proportion to identified risks, when deliverables are not met or reports are not submitted on time.</li> <li>• Monitor action plans to mitigate identified risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Explain factors contributing to non-compliance as requested by the Ministry.</li> <li>• Undertake corrective action as requested by the Ministry.</li> <li>• Monitor progress on action plans to mitigate identified risks.</li> </ul>

## **BROADER PUBLIC SECTOR ACCOUNTABILITY ACT**

The Ontario [Broader Public Sector Accountability Act, 2010](#) is a statute that contains rules and accountability standards for designated broader public sector organizations on expenses, perquisites, and the procurement of goods and services. Designated public sector organizations include publicly funded organizations receiving funds of \$10 million or more during the previous fiscal year of the government of Ontario (all sources of Government of Ontario funding included). While this Act may not apply to all RTOs the ministry encourages RTOs to review the directives under this Act when developing internal processes and policies for comparison purposes. Additional information about the BPSAA can be found at:

<https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/English/bps-links>

It is also recommended that RTOs review the [Procurement Guideline for Publicly Funded Organizations in Ontario](#), which is a summary of best practices in the procurement of goods and services for organizations funded by the Ontario government.



## Section 3: Transfer Payment Agreement

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### TPA OVERVIEW

The TPA comes into effect once the RTO and the Ministry have signed the agreement. RTOs need to be familiar with the clauses and schedules encompassed in this legal document.

The TPA is a negotiated agreement based on the RTO's Business and Marketing Plan. Here are its different components:

- **Schedule A (GENERAL TERMS AND CONDITIONS):** includes the date of effectiveness of the agreement, the parties to the agreement, legal definitions and articles. Read this section carefully as it outlines a number of procedural requirements (e.g., procurement, insurance, record maintenance).
- **Schedule B (PROJECT-SPECIFIC INFORMATION AND ADDITIONAL PROVISIONS):** outlines the maximum funding, contact information with the Province and the RTO, and additional provisions such as contract expiration date.
- **Schedule C (PROJECT DESCRIPTION AND TIMELINES):** is the project description and timelines for the year starting April 1, 2016 and ending March 31, 2017. This section is based on the Business and Marketing Plan. Activities or initiatives that are not outlined in the plans will not be included in Schedule C and are not subject to MTCS funding. RTOs are required to include key program performance measures and a maximum of three operational measures.
- **Schedule D (BUDGET):** details the RTO budget. The budget must align with the activities.
- **Schedule E (PAYMENT PLAN):** payment dates or milestones along with corresponding payment amounts. It should be noted that, as in 2015-16, there are no "holdback" payments, i.e. all project funding will be sent to the RTOs within the fiscal year providing that payment milestones are met.

- **Schedule F (REPORTING):** RTOs are required to report on the use of the funds received. The specific reports and timelines are outlined in Schedule E. These reports must be comprehensive, accurate and received in a timely manner. Reports are of the utmost importance, not only to attest to the appropriate use of funds, but also because the Ministry uses the data internally and externally to demonstrate and communicate the return on investment of regional funding. Strong performance measures (quantitative and qualitative) help tell the story of how RTOs contribute to tourism growth/development and economic activity. The performance measures outlined in Schedule C form the basis upon which RTOs will report through progress reports and final reports. Further, these measures are expected to be used to inform future year objectives, activities and timelines. For these reasons it is important to invest the time required to prepare and submit a thoughtful Business and Marketing Plan.

## **ANNUAL TPAs**

The Ontario government Transfer Payment funding is annualized funding and as such it is dependent on the Ministry receiving the necessary appropriation from the Ontario Legislature.

The RTO must provide the Ministry with a 2016-17 Business and Marketing Plan. Once approved, the Ministry will use the Business and Marketing Plan to create the Transfer Payment Agreement for the fiscal year April 1, 2016 to March 31, 2017.

Any unused funding allocated for an initiative in one year cannot be carried over into the next fiscal year. Based on the year-end reconciliation, any unused funding or any funding used for in-eligible expenses may be recovered by the Ministry.

## TPA PREPARATION AND TIMELINES

It is important to note that 2016-17 TPA must be in place between the Ministry and the recipient before the funding is flowed. As such, the TPA process needs to be completed in a timely manner. Please note that the process and timelines only apply if all materials are received on time and completed to the satisfaction of the Ministry.

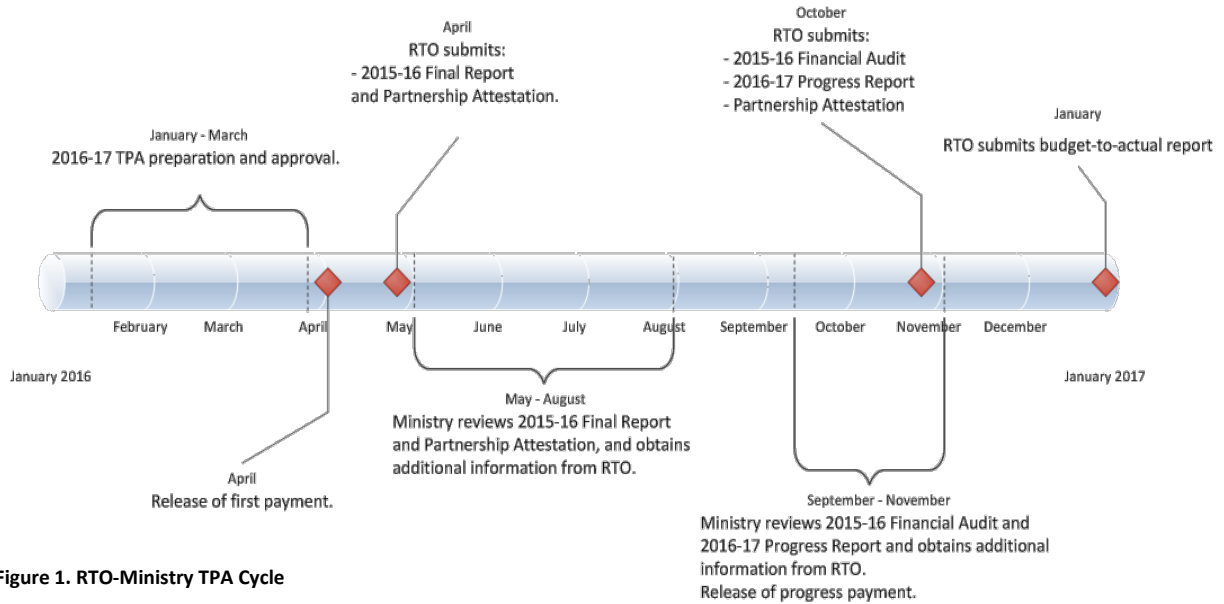


Figure 1. RTO-Ministry TPA Cycle

### 1. In Q3 of 2015-16, the Ministry will advise the RTOs on

- Appropriate timelines for the submission of the RTOs Business and Marketing Plan; and
- Any changes to program policies and procedures which may have an impact on the business planning of the RTO as outlined in the RTO Guide.

### 2. RTO Submission of the Business and Marketing Plan (Jan 15<sup>th</sup>, 2016)

- The RTO submits its Board approved 2016-17 Business, and Marketing Plan to both its RTU Tourism Advisor and the Toronto office;
- Where additional information is required (Board approval, Organization Chart, Insurance, Business and Marketing Plan content), RTU staff will work with the RTO to obtain the information prior to beginning the Ministry review;
- The Ministry notifies the RTO by email when the RTU is in receipt of all the information needed to start the Ministry review.

### 3. Business and Marketing Plan Review and TPA Preparation (30 business days):

- The Regional Tourism Unit staff collaborates to review and analyze the Business and Marketing Plan. The following items are considered:
  - Does the Business and Marketing Plan provide an overview of past achievements?
  - Is the Business and Marketing Plan clear, concise and accurate?
  - Do the strategies, activities, planned outcomes and outputs align logically with the objectives?
  - Have the RTO program key performance measures been included? Are the operational performance measures reasonable and quantifiable? Are they good indicators of effectiveness, efficiency and stakeholder satisfaction?
  - Are the operations of the RTO, as set out in the Business and Marketing Plan, consistent with the program priorities (Good Governance, Product Development, Workforce Development and Marketing)?
  - Does the plan take into account stakeholders' interest and issues?
  - Does the plan outline the RTOs relationships with other organizations, resources, partners and funders?
  - Is there a sound budget to achieve desired results? Is funding for eligible expenses? Is there alignment between the activities and the requested budget?
- If required, Ministry staff will work with RTOs to obtain further information or clarification related to the Business and Marketing Plan in order to draft the TPA;
- The Ministry will use the approved RTO Business and Marketing Plan to draft the TPA;
- The Ministry will email a draft TPA to the RTO. The RTO is expected to review and provide feedback on the final draft.

### **3. TPA execution (15 business days):**

- Ministry staff finalize the TPA and obtain necessary approvals;
- The Ministry emails the final version of the TPA, to the RTO;
- The RTO reviews the final version and coordinates necessary signatures (Chair and Executive Director);
- Upon receipt of an RTO signed electronic copy, Ministry staff coordinates necessary signatures.

#### **4. Initial payment (10 business days):**

- An electronic copy of the TPA signed by both parties is returned to the RTO;
- Ministry staff will request payment and notify the RTO by e-mail when the payment request has been submitted;
- RTOs should expect payment to be deposited in their accounts within **10 business days following notification of when the payment request was submitted.**

It should be noted that all Ontario government payments are processed centrally and not by the Ministry of Tourism, Culture and Sport.

Completion of the review phase prior to the end of March or during the first week of April will ensure that payments are administered as early as possible in the new fiscal.

Annual funding for RTOs is subject to approval through appropriation from the Ontario Legislature. If the Legislature does not approve the allocation, in accordance with the section 4.2 of the TPA, the Ministry has the right to change funding arrangements.

#### **In-year Amendments**

As per Section 4.5 of the TPA, RTOs must seek written approval prior to making any changes to the project, timelines or budget. This includes undertaking activities for which funding has not been provided within the scope of Schedule C or canceling major activities outlined in Schedule C. In these cases, an “Amending Agreement” will be executed and will be valid along with the original TPA.

#### **Authorized Signing Officer**

The ministry’s accountability relationship is with the RTO governing body – the Board of Directors. As such, the Ministry requires that all reports and TPAs are signed by an Authorized Signing Officer. The Ministry deems the Authorized Signing Officer as the Chair on behalf of the RTO Board of Directors. The Executive Director may also sign the reports and TPAs in addition to the Chair.

## Section 4: Schedules

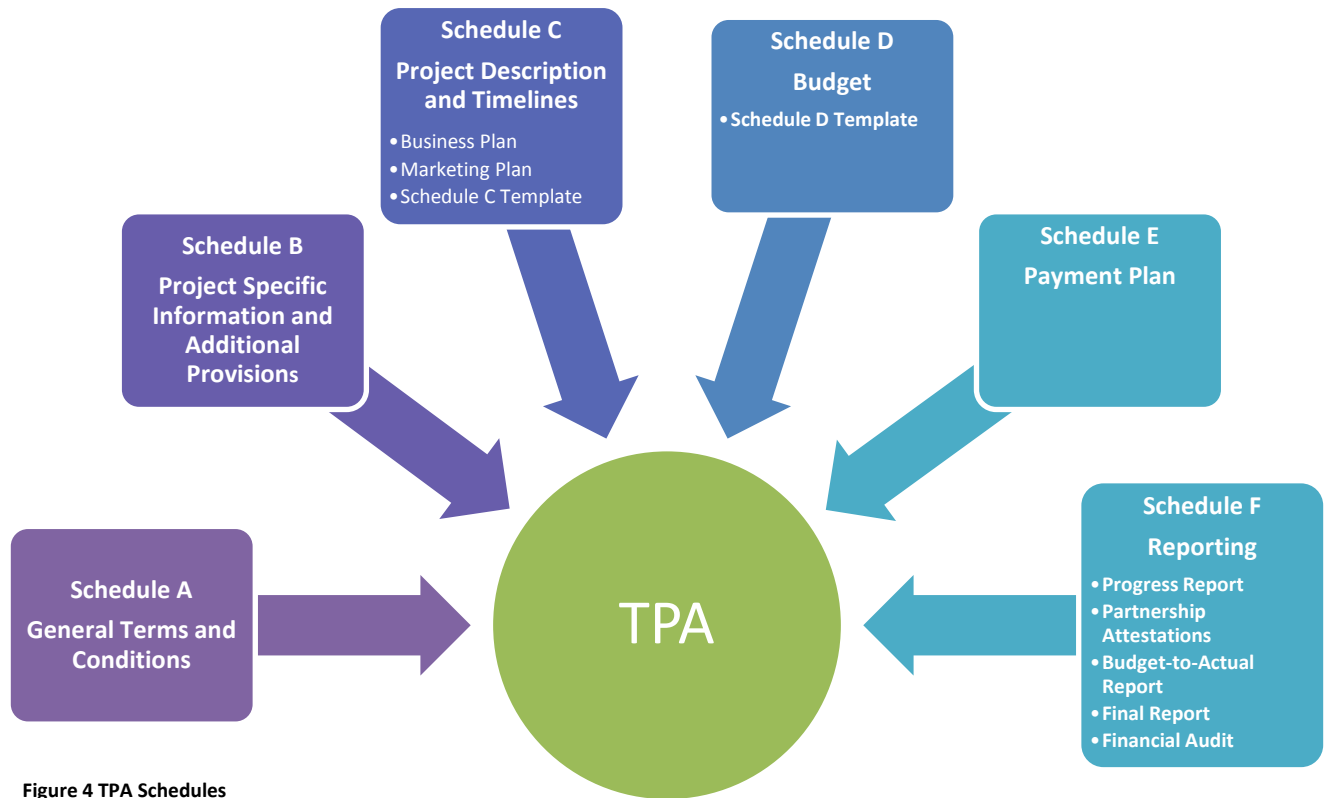


Figure 4 TPA Schedules

**Schedule A:** Schedule A is prepared by the Ministry

**Schedule B:** Schedule B is prepared by the Ministry

**Schedule C:** Schedule C is prepared by the Ministry

<b>Schedule C</b>	The Business and Marketing Plans are prepared by the RTO and used by the Ministry to create Schedule C. The Schedule C is finalized through negotiations between the Ministry and the RTO.
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**Business and Marketing Plan**

The preparation of an annual Business and Marketing Plan is an important requirement for each RTO. The Business Plan must identify strategic areas that the RTO will focus on to continue to build the region’s tourism industry and the steps it needs to take with its partners to achieve the desired results. The Business and Marketing Plan addresses the five pillars of destination management for which funding is being provided.

RTOs can either integrate their Marketing Plan into the Business Plan or submit it as a separate document. The Marketing Plan should include both strategies and tactics employed for increasing tourism visitation.

RTOs may wish to produce their Business and Marketing Plan for public release to their members and stakeholders. The RTO should ensure that the Business and Marketing Plan for public release is based on the plan that has been approved by the Ministry.

***What the Ministry looks for in the Business and Marketing Plan***

<p><b>Executive Summary</b></p>	<p>A high level summary:</p> <ul style="list-style-type: none"> <li>• The top 3-5 major successes in the past years;</li> <li>• What the RTO will focus on in the coming year;</li> <li>• Shifts in focus from the past and why; and,</li> <li>• Mission and vision statement which outline your goals and where you want to be as an organization.</li> </ul>
<p><b>Regional Overview and Assessment</b></p>	<p>This is where the RTO showcases in-depth research and understanding of the industry and region. Include relevant tourism research, market analysis, trends and competitive analysis.</p> <p>Example sources:</p> <ul style="list-style-type: none"> <li>• MTCS Research Unit: Regional Profiles, Tourism Regional Economic Impact Model (TREIM), etc.</li> <li>• Statistics Canada</li> <li>• Ontario Tourism Marketing Partnership Corporation</li> <li>• Consumer Insight Research</li> <li>• RTO internal research</li> </ul>

	<ul style="list-style-type: none"> <li>• Other relevant research conducted by industry partners, including Premier-Ranked Tourism Destination Framework reports, Tourism Development Fund-supported studies, etc.</li> </ul>
<p><b>Strategic Plan</b></p> <ul style="list-style-type: none"> <li>• <b>Objectives</b></li> <li>• <b>Key Activities and Timelines</b></li> <li>• <b>Performance Measures</b></li> </ul>	<p>This section outlines what key objectives and activities the RTO is seeking funds to accomplish, as well as the performance measures the RTO will use to measure progress towards objectives. There should be a clear linkage on how these key objectives and activities support the regional overview and assessment referred to in the previous section.</p> <p>This section should also provide an overview of how the proposed RTO areas of focus fit with what regional stakeholders are doing or asking be done. It is important that RTOs show how they are helping build tourism capacity in their regions – including how their activities complement those of other key industry, economic development and community stakeholders. This will help describe the strategic thinking behind what the RTO is proposing to do.</p> <p><b>Objectives</b></p> <p>RTOs should outline the desired results that the RTO envisions, plans and commits to achieve for each destination management priority (pillar). Objectives should include growth goals that are specific to each strategic priority (pillar) and that build on previous benchmarks.</p> <p><b>Key Activities</b></p> <p>RTOs should identify the activities necessary to reach/ achieve the objective(s). It is expected that these will provide a clear sequence of the major steps and the flow of activities that will contribute to achieving the objective. It is not expected that every step be included, however, the level of detail needs to describe the work.</p> <p><b>Performance Measures</b></p> <p>The RTO is required to develop a maximum of <b>three (3)</b> operational measures (outputs/outcomes), in addition to the program key performance measures, that measure progress</p>



toward meeting the objective identified.

As an example, if one of the objectives of a marketing campaign is to drive qualified consumers to your web site and direct them to operators your measures may include:

- A 20% increase in web traffic
- A 15% increase in referrals to operators
- 5 partner offers included in the campaign

The performance measures should be related to “objectives” rather than associated activities. The intent is to measure progress toward meeting the objective. Limiting operational measures to a maximum of 3 will help to focus and streamline your Schedule C and ensure S.M.A.R.T. measures.

<b>Letter</b>	<b>Major Term</b>	<b>Minor Terms</b>
S	Specific	Significant, Stretching, Simple
M	Measurable	Meaningful, Motivational, Manageable
A	Attainable	Appropriate, Achievable, Agreed, Assignable, Actionable, Ambitious, Aligned, Aspirational, Acceptable, Action-focused
R	Relevant	Results-oriented, Resourced, Resonant, Realistic
T	Timely	Time framed, Timed, Time-based, Time-bound, Time-Specific, Timetabled, Time limited, Trackable, Tangible

Regular review of progress against performance measures is recommended. The information collected will help in identifying adjustments required and inform future planning and decisions as part of continuous improvement.

### **Timelines**

It is required that the quarter(s) in which the key activities will take place be identified. When providing reports, this information will be useful in assessing how the activities are progressing or what changes to activities or timelines may be needed.

<b>Marketing</b>	<p>RTOs can either integrate their Marketing Plan into the Business Plan or submit it as a separate document. In both cases, the Marketing section of the Plan must include measurable strategic marketing objectives for the RTO based on current research, comparative analysis and past performance of marketing tactics and results.</p> <p>The Marketing Plan should include:</p> <ul style="list-style-type: none"> <li>• <b>Objectives</b> Objectives should include growth goals that are specific to the campaigns and that build on previous benchmarks.</li> <li>• <b>Priority Target Markets</b> Identify consumers in the primary and secondary target markets for whom the campaigns are directed - geography, demographics, psychographics, and motivational/activity characteristics.</li> <li>• <b>Product Positioning</b> Overview of products/experiences and the competitive context in which they are offered.</li> <li>• <b>Marketing Tactics</b> <ul style="list-style-type: none"> <li>• Timing</li> <li>• Media Tactics</li> <li>• Partnered Activities</li> </ul> </li> <li>• <b>Tracking and Performance Measures</b></li> <li>• <b>Budget</b> RTOs should demonstrate how much of their marketing budget is being allocated towards each target market and tactic.</li> </ul> <p>In some circumstances, campaign tactics will evolve throughout the year as campaigns build on previous efforts or respond to the market. In these instances, the Ministry will work with the RTO to establish dates for submission of the tactical details.</p>
<b>Partnership Initiatives</b>	<p>This section should describe the strategic initiative(s) that the RTO will be undertaking with third parties (any partner other than MTCS with which the RTO is partnering) which are necessary in order to access its Partnership Allocation.</p>

	RTOs should demonstrate the link between their objectives, strategies and activities as well as government priorities, where appropriate. The information should be provided and organized in way that clearly outlines the objectives, activities and performance measures.
<b>Risk Identification, Assessment, and Mitigation Strategies</b>	Identify any barriers or possible risks to successfully delivering on the plan and include what steps are being undertaken to address these risks. Addressing risks is an important step in ensuring that the stated objectives are met.
<b>Business &amp; Operational Overview</b>	Describe how the business operations of the RTO support the implementation of the Business and Marketing Plan. Ensure that there are clear and accountable monitoring of activities and reporting mechanisms within the organization and to government.
<b>Organizational Structure</b>	Outline/update the RTOs organizational structure. An organizational chart is an effective way to illustrate the governance and management structure of an organization, including the structure of the board.
<b>Budget (<a href="#">Budget Template</a>)</b>	The Business and Marketing Plan budget should link to the key objectives and activities and only reflect RTO funding provided by the Ministry. RTOs must provide a quarterly budget, net of any HST rebates, itemized by the five major pillars and partnerships, with sub-categories reflecting major activities.

**Schedule D:** Schedule D is prepared by the Ministry

<b>Schedule D</b>	The Ministry will use the budget provided in the Business and Marketing Plan to create Schedule D. The Schedule D Budget will be laid out to reflect spending net of any HST rebates under each of the destination management priorities (pillars).
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**Schedule E:** Schedule E is prepared by the Ministry

The Payment Plan for 2016-17 is outlined below:

<b>Payment Milestone</b>	<b>Amount</b>
Signing of the TPA	40%
Submission of a Satisfactory Final Report for 2015-16	40%
Submission of a satisfactory Progress Report for 2016-17, and Financial Audit for 2015-16	10%
Submission of a satisfactory Budget-to-Actuals Report for 2016-17	10%

### **Schedule F: Developing Reports**

RTOs are required to submit a progress report and a final report in each fiscal year.

RTOs are also required to submit a budget-to-actual report with a year-end forecast in the month of January. The report will cover the period April 1<sup>st</sup> – December 15<sup>th</sup> and will forecast to March 31<sup>st</sup>. This report will provide the Ministry with an up to date and accurate financial position of the RTOs to support year-end planning.

In some cases, and depending on individual RTO negotiations, additional reporting may be required.

The Ministry provides RTOs with report templates. Failure to submit satisfactory reports (as per the TPA) will result in delay in payment until reports have been received and approved by the Ministry.

The reports must clearly:

1. Describe the progress toward completion of all listed activities;
2. Describe the progress toward attaining the performance measures;
3. Describe the progress toward meeting the initiative's objectives;
4. Identify any activities that will not be completed as planned, explain why this is the case and describe how this impacts the implementation of the initiative;
5. Report on the budget and ensure alignment with TPA line items.

In addition to the progress and final reports, the recipient will provide electronic copies of the following:

- All reports and documents produced as part of the initiative;
- Samples of all brochures, programs or handouts produced as part of the initiative;
- Samples of all marketing materials produced as part of the initiative.

## **Variations**

A variance occurs when there is a change (+/-) between the original budget and actual spending for a particular line item. Variance explanations are required for all budget/financial reporting.

RTOs need to identify all variances where the % is 10% or greater and/or where the variance dollar value is \$10,000 or greater. The explanation should include the causes of the variance, any action plan to address them and the strategy to minimize the likelihood of occurrence in the future.

## **Financial Statements**

RTOs provide the Ministry with audited financial statements prepared in accordance with Canadian generally accepted accounting principles for each fiscal year in which the RTO has received funding.

The Ministry receives and reviews financial information in conjunction with non-financial information and undertakes compliance activities in order to:

- determine whether funds have been expended for the purposes intended;
- ensure terms and conditions of funding agreements have been met; and
- ensure that the recipient's financial situation is sufficiently stable in order to assure continued delivery of funded services.

Essential requirements for annual financial reporting:

- Capture the specified fiscal year (April 1 – March 31)
- Use an independent and qualified third-party for the audit
- Carry out the audit when activities, as described in the TPA, are completed
- Report expenses net of rebates, credit and refunds
- Properly allocate shared costs to the program

The RTO is required to submit **audited financial statements** for the organization and a **schedule of revenues and expenses** as per the TPA. These may be done as two separate documents, or the RTO may decide to include a schedule of revenues and expenses within its Statement of Operations.

#### **Audited financial statements**

- Include an Opinion, Balance sheet, Statement of Operations/Income Statement, Cash Flow Statements, notes and other standard elements
- Include a funding reconciliation table to outline amounts due to/from the Ministry explain discrepancies between the amounts stated in the agreement and the amounts in the financial statements, references to the corresponding page/notes in the financial statements and other adjustments as applicable

#### **Schedule of revenues and expenses as per the TPA**

- Include only RTO funding from the Ministry and matched partner funding received through partnership projects
- Identify interest earned on RTO funding from the Ministry as a separate line under Revenue
- List expense line items consistently with the line items in the budget (Schedule D)
- Include an Opinion, Notes and other standard elements as applicable
- In the Opinion, include an assessment of the RTOs compliance with all of the Schedules of the TPA

If the funds were not used for the intended purpose(s) or specified services were not delivered, the funds must be returned to the Province via a cheque payable to the Minister of Finance.

## Section 5: Partnership Allocation

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### OVERVIEW

Regional Tourism Organizations (RTOs) are eligible to receive additional funding from the Ministry of Tourism, Culture and Sport based on their ability to leverage funding from regional members and stakeholders. The intent of the partnership allocation, described in this section, is to encourage collaboration between the RTOs and a variety of partners in order to leverage regional resources and to support new or incremental tourism activities that support the implementation of the RTOs Business and Marketing Plan.

The partnership approach is guided by the following set of objectives:

- Enhance tourism across the province
- Support the RTO as the leader in regional tourism
- Maximize support for tourism at a regional level by encouraging strong partnerships, expanding the breadth and diversity of funding partners
- Encourage RTOs to engage industry partners to broaden their financial base to extend reach
- Support a coordinated approach that aligns planning, marketing, product development, investment attraction, and workforce development in the region
- Assure the transparency and accountability of funding through the transfer payment agreement process

The value of partnerships among industry sectors cannot be overstated.

Regardless of the partnership allocation, RTOs can maximize support for tourism in their regions by expanding the breadth and diversity of their partners. Strong partnerships and a coordinated approach to product development, workforce development, investor relations, regional planning and marketing are essential to ensuring the future sustainability and increased competitiveness of tourism across Ontario.

RTOs are expected to use ministry funding to develop and deliver strategies to support the following destination management priorities or pillars:

- 1. Product Development*
- 2. Workforce Development and Training*
- 3. Investment Attraction/ Investor Relations*
- 4. Marketing*

## **Partners**

The ministry strongly encourages RTOs to work with all tourism partners in their region to grow tourism. RTOs may also work collaboratively across regions and with sector-based organizations.

RTOs are encouraged to consider a broad range of partners reflecting their local area and business plan objectives. These might include destination marketing organizations, other levels of government, and the private sector.

## **Partnership Submissions**

A key foundational step for any partnership initiative is a project plan that clearly defines the project objectives, key activities, performance measures and timelines.

For 2016-17, the ministry encourages all RTOs to integrate partnership initiatives into the 2016-17 Business and Marketing Plan wherever possible to reduce administrative burden. This will also allow the RTOs to ensure that projects are aligned with the objectives and activities in their Business and Marketing plans.



Below is an example of how to integrate partnership initiatives into the Business and Marketing Plan:

<b>Project Type</b>	<b>Signage</b>	<b>Experience Development</b>	<b>Video Production</b>
<b>Objective</b>	To grow visitation by working with partners to implement signage.	Enhance development of tourism experiences (products, training and research)	To grow visitation by developing video promotion for the partner.
<b>Partner\$ : PF\$ : RTO\$</b>	\$2 : \$1	\$1 : \$1	\$1 : \$1 : \$1
<b>Example Funding</b>	\$10,000 investment by partner receives \$5,000 from partnership fund for a total project of \$15,000	\$10,000 investment by partner receives \$10,000 from partnership fund for a total project of \$20,000	\$1,400 investment by partner receives \$1,400 from partnership fund plus \$1,400 from RTO for a total project of \$4,200
<b>Example initiatives or projects</b>	Local trail group partners to implement RTO way-finding signage along trail network.  Cycle signage is installed along routes.	Research into viability of a new product/experience.  Development of a business/marketing plan to take a product/experience to market.  Festivals and events marketing/data collection.	Operator videos a skateboard park experience.  Campground videos that include a collection of activities at the campground.

All partnership project proposals that are not included and approved with the 2016-17 Business and Marketing Plan must be RTO Board approved and submitted on the Partnership Project Proposal Template for a consistent and transparent review.

Partnership Project Proposal Templates must be submitted at least **20 business days** prior to the project start date. The Ministry requires at least **7 business days** to review and approve proposals.

To assist the RTOs with planning projects, the ministry has developed a [Partnership Project Proposal Template](#). The ministry has also developed a sample evaluation criteria for RTOs to use as a tool to support the partnership development process and to ensure key project details are addressed prior to ministry review and analysis.

The Regional Tourism staff collaborates to review and analyze the Partnership Project Proposal Template(s). The following items are considered:

- Does the Partnership Project Proposal Template meet the requirements as set out in the RTO 2016-17 Guide/TPA?
- Do the activities and planned outputs and outcomes align with the RTOs Business and Marketing Plan/current TPA?
- Has the RTO addressed key risks that will affect its ability to achieve its objectives? Are appropriate plans in place?
- Does the project take into account stakeholders' interest and issues?
- What other funding partners are involved or implicated?

After project proposals submitted on the Partnership Project Proposal Template are reviewed and analyzed by the ministry, and when the project is deemed to have met program requirements, the RTO can proceed with the partnership. Projects will be formally added to the transfer payment agreement through a signed amended TPA agreement at an agreed upon time.

RTOs are required to report on any variances or modifications to Partnership Allocation submissions identified in the Business and Marketing Plan or Partnership Project Proposal templates in the Progress Report and Final report. RTOs are required to secure partnerships, and formalize their partner agreements by **no later than December 31<sup>st</sup>, 2016** to ensure strategic financial management and adequate project implementation time.

## **Funding Process**

Through partnerships, RTOs can work collaboratively with sector associations and destination marketing organizations to broaden their financial base and to extend their reach and grow tourism throughout Ontario.

The ministry provides the RTOs with their overall partnership allocations as part of the annual funding amount. RTOs may also choose to allocate an additional amount of their RTO base funding and proportional allocation to partnership projects; however, the ministry will only match contributions up to the RTOs total partnership allocation. An RTO will only receive its total partnership allocation if stakeholders/partners contribute at least the same or a greater amount than MTCS.

Partner contributions are applied to the fiscal year in which they will be used to access the Ministry's funds. Partner funds can be split between two fiscal years if this will support the RTO in completing an activity that spans two fiscal years. As with all initiatives outlined in the TPA, MTCS funding allocated for a partnership initiative in one year cannot be carried over into the next fiscal year. Based on the year-end reconciliation, any unused MTCS funding must be recovered by the Ministry.

## **Cost Sharing**

The ministry does not prescribe cost sharing ratios between the RTOs and the partner organization (s) (i.e. 50/50, 60/40, etc.). While the ministry does not prescribe the cost sharing ratios, it is important to note that the ministry releases the partnership allocation based on total earned income from eligible partners. For example, if the total project cost is \$10,000 and the cost sharing ratio is 40/60, a \$4,000 RTO contribution and \$6,000 partner contribution, the RTO is eligible to receive up to \$6,000, based on spending during the fiscal year. RTOs are encouraged to leverage more funding than they are contributing to a project to support the objective of broadening their financial base. The partner organization contribution must be financial and not "in-kind".

## ***Ineligible Contributions, Partners and Conflict of Interest***

RTOs are not able to leverage funds obtained from other Ontario government ministries or programs.

Organizations funded by the Ontario government including MTCS agencies and attractions or workforce boards are not eligible funding partners.

RTOs partnering on projects with organizations receiving funding from Ontario government programs must attest that the partner funds being contributed to the RTO are not part of the its funding received from the Province of Ontario.

RTOs are required to ensure that business partners do not present an increase in risk to the RTO or Province.

### **Reporting on Partnership Projects**

The RTO progress and final reporting templates include a partnership attestation form that confirms the receipt of partner(s) contributions by the RTOs where the funding will be used to access the ministry partnership allocation. The receipt of partner(s) contributions is defined as funding committed through a formal agreement.

The final report, Financial Audit and Schedule of Revenues and Expenses as per the TPA should include funds provided by the ministry as well partnership income received by the RTO. RTOs are expected to fully, and in a timely way, account for partnership project spending and partner(s) income in accordance with generally accepted accounting principles and clerical practices. Appropriate financial policies and practices will need to be in place for partnership revenues that span over two years in order to ensure accountability and reconciliation of public funds.

The ministry relies on the expenses and revenues included in the RTOs' Financial Audit and Schedule of Revenues and Expenses, as per the TPA, to conduct year-end reconciliation, recovery and funding adjustments. Therefore, activities and transactions not reflected in the financial audit will not be considered for accessing ministry funding for partnership allocation.

RTOs will be required to report on partnership allocation initiatives as part of its progress and final reports and track performance measures against objectives connected to all funding received, to help measure progress and value-for-money.

## Project Manager/Lead

In the context of the RTO funding allocation, “partnership” is defined as the formal agreement of the RTO to work with one or more entities on a specific project in support of the RTO’s business plan.

Generally, the RTO is the lead and has the project management responsibility for any given partnership project. However, the ministry recognizes that there may be limited exceptions where it may not be cost effective or efficient for the RTO to be the lead if the partner organization has the capacity, knowledge and skill set to lead the project.

In these exceptional cases, the RTO may allow the partner organization to lead or manage the project in the following scenarios:

- To leverage a partners specialized expertise or knowledge
- Where project completion is at risk due to staffing constraints in the RTO

The RTO **must** seek the advice of the Regional Tourism Advisor to discuss the exception process. **Before** entering into agreements with potential partners, RTOs must receive written approval from both the manager of the Regional Tourism Unit and Director of the Tourism Policy and Development Division.

Should the RTO be approved to proceed with a partnership where it is not the lead or project manager, the following requirements must be met:

- RTO is actively involved in the governance and oversight of the project
- All procurements, whether for goods or services, are led by the RTO regardless of the project lead. Where the purchase price exceeds \$5,000, the RTO will, at a minimum, obtain at least three written quotes. It is best practice to obtain at least three quotes, formal or informal, regardless of the purchase price.
- For all procurements, whether for goods or services, the partner organization must not bid to avoid conflict of interest, both real and perceived.
- RTO and the partner organization develop a Memorandum of Understanding (MOU) or partnership agreement that includes, but is not limited to, clearly defined roles, responsibilities, key deliverables, timelines and performance measures .Partnership submissions must include a copy of the proposed MOU.

## Funding Arrangement

It is important to note that partnership allocations must not “flow through” to a partner organization. The ministry recognizes that there may be some limited exceptions where a partner organization is not able to flow their contribution to the RTO due to restrictive financial policies or due to partnerships between RTOs. In these exceptional cases, the RTO may enter into an alternate funding arrangement such as each party paying their share of eligible invoices on a regular basis.

The RTO **must** seek the advice of the Regional Tourism Advisor to discuss the exception process. **Before** entering into agreements with potential partners, RTOs must receive written approval from both the manager of the Regional Tourism Unit and Director of the Tourism Policy and Development Division.

Should the RTO be approved to enter an alternate funding arrangement, the following requirements must be met:

- Fully, and in a timely way, account for project spending and partner(s) contributions in accordance with generally accepted accounting principles and clerical practices
- RTO obtains copies of all eligible project invoices and proof of payment for their records
- RTO attests to the partner organization(s) contribution amount
- Year-end audited financial statements must include all financial details related to partnership projects

## Section 6: Resources

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### COSTS

#### Eligible Costs

Eligible costs are those deemed reasonable and necessary by the ministry for the successful implementation of RTO deliverables and the work of the RTO.

1. Staffing expenses
2. Technology, equipment and office supplies
3. Professional development
4. Travel and communications
5. Marketing
6. Workforce Development and Training
7. Product Development
8. Investment Attraction/ Investment Relations

#### Ineligible Costs

1. Grants and flow-through to other organizations;
2. Charitable fundraising;
3. Advocacy;
4. Donations to political parties or lobby groups;
5. Capital costs related to permanent structures or acquisitions (e.g., materials, labour, motorized vehicles, land acquisition, purchase of equipment for project construction, etc.);
6. Competition prizes, prize money and monies paid to competition participants;
7. Previously incurred expenses;
8. Refundable portion of the Harmonized Sales Tax (HST) or other refundable expenses (e.g., security deposits, etc.) and,
9. Expenses that do not relate directly to the delivery of the TPA.

This is not an exhaustive listing, should you have any questions please consult with your Regional Tourism Advisor.

## Harmonized Sales Tax (HST)

RTOs may be able to claim HST and other types of rebates on eligible purchases and expenses.

The funding provided by the Ministry is intended to cover all eligible purchases and expenses for the specific fiscal year less any costs for which the RTO has received, will receive, or is eligible to receive a rebate. As a best practice, RTOs are encouraged to apply for rebates on a regular basis.

However, as the RTO only reports expenditures net of any rebate, it is not necessary for any rebate received to be returned to the Ministry. It is the expectation that each RTO will spend the entirety of their allocation. If there is underspending reported at year end then the RTO will be required to issue a refund cheque to the Minister of Finance.

### HST Example:

RTO Allocation = \$1,000,000

HST = 13%

HST Rebate = 9.06%

Non-refundable HST = 3.94%

\$962,094 (\$1M/1.0394)

\$962,094 x 3.94% = \$37,906(Non-refundable)

\$962,094 x 9.06% = \$87,166 (Refundable HST)

$\begin{aligned} & \$962,094 (\$1M/1.0394) \\ & + \$37,906 (\text{Non-refundable HST}) \\ & = \$1,000,000 (\text{Reportable expenses to} \\ & \quad \text{MTCS}) \\ & + \$87,166 (\text{Refundable HST}) \\ & = \$1,087,166 (\text{Total expenses by RTO}) \end{aligned}$
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## **INTEREST**

As per section 4.6 and 4.7 of the Transfer payment agreement, the RTO is required to place any Funds received from the Ministry into an interest bearing account.

Further to this, any interest earned on the funds will be returned to the Ministry as per section 4.7 (b).

## **INSURANCE**

All RTOs are required to carry at least \$2 million commercial general liability insurance coverage from an insurance provider with an A.M. Best rating of B+ or greater.

A certificate of insurance should:

1. State that the insured party is the RTO with whom the ministry has contracted. This is important since a policy will only respond to cover the Named Insured on the policy.
2. Identify the date of coverage. Insurance should be maintained for the term of the TPA.
3. Identify the Ministry of Tourism, Culture and Sport as an additional insured, represented in the following language, “Her Majesty the Queen in right of Ontario, her ministers, agents, appointees and employees.” This phrase should appear on the certificate face under a memo heading or special note box.
4. Identify the type (a) and amount (b) of coverage (Commercial General Liability insurance is listed and is on an occurrence basis for \$2 million).
5. Include a statement that the certificate holder (the ministry) will be notified of any cancellation or material change within 30 days.
6. Include the signature of an authorized insurance representative.
7. Include the following MTCS address:  
Ministry of Tourism, Culture and Sport  
Regional Tourism Unit  
400 University Ave., 5th Floor  
Toronto, ON M7A 2R9

## MODERN CONTROLLERSHIP

### Procurement

RTOs are expected to meet TPA requirements related to procurement. The TPA Section 5 states:

#### 5.0 RECIPIENT'S ACQUISITION OF GOODS OR SERVICES, AND DISPOSAL OF ASSETS

**5.1 Acquisition.** If the Recipient acquires goods, services, or both with the Funds, it will:

- (a) do so through a process that promotes the best value for money; and
- (b) comply with the BPSAA, including any procurement directive issued thereunder, to the extent applicable.

**5.2 Disposal.** The Recipient will not, without the Province's prior written consent, sell, lease or otherwise dispose of any asset purchased or created with the Funds or for which Funds were provided, the cost of which exceeded the amount as set out in Schedule "B" at the time of purchase.

It is best practice to obtain at least three quotes, formal or informal, regardless of the purchase price.

### Guiding Principles behind Procurement Best Practices

It is good practice to observe certain procurement best practices or guidelines to ensure the process is open, fair and transparent.

#### ***Responsible management***

No matter how small the organization or the procurement, there should be an adequate organizational structure, policies and procedures to be able to manage procurement contracts fairly and effectively.

#### ***Value for money***

Buyers should consider factors such as the requirements of the business, alternatives, timing, supply strategy and total life cycle costs of the good or service when evaluating vendors' submissions.

#### ***Vendor access, transparency and fairness***

Publicly funded organizations should provide all qualified vendors with fair access to the purchase of goods and services. Buyers should avoid conflict of interest,

both real and perceived, and choose the successful vendor in a fair and non-discriminatory process.

### ***Quality service delivery***

Procurement activities should result in the delivery of the required product or service at the right time and place to organizations.

### ***Upholding Ontario's trade agreements***

Organizations should recognize and respect Ontario's trade agreements with other jurisdictions that open access to publicly funded procurement where they apply.

### ***Supply Chain Code of Ethics***

A supply chain code of ethics should govern the conduct of buyers, vendors and all others involved in supply chain activities. It defines acceptable behaviour for ethical, professional and accountable supply chain activities.

### ***Personal integrity and professionalism***

The public expects their taxpayers' money to be used with honesty, due diligence and care. Individuals involved with supply chain activities are expected to conduct themselves with integrity and professionalism, show respect for each other and the environment, and safeguard confidential information. Organizations should not engage in any activity that creates, or appears to create, a conflict of interest.

### ***Accountability and transparency***

All activities involved in the purchase of goods and services using public funds should be fair and transparent, and for the purpose of acquiring the best value for money.

### ***Compliance and continuous improvement***

Organizations should establish and regularly review their own policies and procedures around supply chain management. They should make improvements as necessary, acquire additional supply chain knowledge and skills, and share best practices.

## Non-Competitive Procurement

It is recognized there may be circumstances where a competitive procurement process is not possible. In those rare circumstances where a non-competitive procurement is deemed necessary, it is expected that an RTO will:

- Have a written business case (and documentation of the due diligence taken) to support or defend the decision;
- Have appropriate RTO approval recorded; and,
- Be prepared to provide the rationale if challenged by suppliers/vendors, stakeholders or others.

The Ministry does not require an RTO to seek or obtain Ministry approval in deciding to pursue a non-competitive procurement process. However, it expects the RTO to respect and apply the procurement provision in the TPA along with the best practices identified in the [Procurement Guideline for Publicly Funded Organizations in Ontario](#). An RTO may be required to provide the rationale/support for non-competitive procurement decisions either as part of normal TPA requirements or in response to a complaint or inquiry received.

## Travel, Meals and Hospitality

The Broader Public Sector (BPS) Expenses Directive for travel, meals and hospitality establishes mandatory expense rules for designated BPS organizations and serves as a guideline to all other publicly funded organizations. This directive is in alignment with the Travel, Meal and Hospitality Expenses Directive which sets out the rules for travel, meal and hospitality expenses for the Ontario government, including its classified agencies and other entities identified by legislation.

As a best practice, RTOs are encouraged to review the [Broader Public Sector Expenses Directive](#) and [OPS Travel, Meal and Hospitality Expenses directive](#) when developing internal processes and policies for comparison purposes.

Both directives are based on four key principles.

**A. Accountability** - Organizations are accountable for public funds used to reimburse travel, meal and hospitality expenses. All expenses support business objectives.

**B. Transparency** - Organizations are transparent to all stakeholders. The rules for incurring and reimbursing travel, meal and hospitality expenses are clear, easily understood, and available to the public.

**C. Value for Money** - Taxpayer dollars are used prudently and responsibly. Plans for travel, meals, accommodation and hospitality are necessary and economical with due regard for health and safety.

**D. Fairness** - Legitimate authorized expenses incurred during the course of the business of an organization are reimbursed.

## RESOURCES

### Tourism Regions Information Portal (TRIP)

TRIP is an easy to use, one-stop portal, where the RTOs can acquire the most up to date information on ministry policies, programs and readily access necessary documents and templates. TRIP also provides RTOs a platform for collaboration by sharing best practices, information and discussing issues that help to enhance the economic impact of the tourism sector.

RTOs should refer to and regularly use TRIP to find and share information and collaborate with the ministry and other RTOs. The site can be accessed at:

<https://extra.sse.gov.on.ca/sites/mtcs-trips/Pages/Home.aspx>

### Acknowledgements

In accepting public funding from the Government of Ontario, all recipients are required to acknowledge the financial assistance they receive with the use of:

- The **“Ontario Yours to Discover” logo on all consumer materials, including all materials produced as a part of partnership projects** (such as consumer websites, social media sites, advertising campaign materials, brochures, etc.)
- The **Ontario trillium logo on industry only related materials** (such as industry websites, newsletters, training sessions and materials, image bank, reports, etc.)

### Ontario Yours to Discover logo



OTMPC has a logo for Canadian (domestic) audience that is available in both English and French and a logo for international audiences. Versions of the Ontario Yours to Discover logo can be requested and downloaded for free from the OTMPC's image database at [www.imageontario.com](http://www.imageontario.com). Low resolution versions of the logo can be found using the search word "logo." Higher resolution versions required for print must be ordered through the site and upon check out you will be asked to outline the purpose of its use.

The guidelines for the use of the Ontario Yours to Discover logo are available on pages 22-24 in [OTMPC's Brand Toolkit](#).

### Ontario trillium logo



When using the Ontario trillium logo please note the following:

1. The Ontario logo should be used only as provided. The visual or structural relationship may not be changed in any way.
2. There is no colour version of the logo. In most applications, the Ontario logo appears in a black against a white or light background.
3. When accompanying other corporate logos, the Ontario Logo should be the same size.
4. The two most commonly used recipient tag lines are: "Funded by the Government of Ontario" or "Funding provided by the Government of Ontario". These examples are provided for consideration purposes only. Using a tag line is not a requirement.

### **French-Language Services and Attracting Francophone Markets**

Francophone visitors are an important market for Ontario. The *Discovering Ontario* report recommended that Ontario should focus on strengthening its appeal to French-speaking markets, especially Québec and France.

RTOs should work collaboratively with Francophone stakeholders to support the Ontario tourism industry and ensure the incorporation of services that are strategically adapted to appeal to French-speaking tourists, including tourists from Ontario, Quebec and France.

RTOs should use a part of their yearly allocation from the Ontario government to undertake activities that will appeal to Francophone visitors, including translating documents, hiring bilingual staff, targeting Francophone markets and implementing French-language services.

For information on how to make your organization bilingual, please consult the Office of Francophone Affairs' [Toolbox](#) or Heritage Canada's [Making your Organization Bilingual](#).

## Contacts for further information

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## APPENDIX A

### Business and Marketing Plan Budget

\* All amounts net of any HST rebates (i.e. final cost after HST has been paid and the rebate has been received)

Expenses	Q1	Q2	Q3	Q4	Total
<b>Governance and Administration</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>Product Development</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>Investment Attraction /Investor Relations</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>Workforce Development and Training</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>Marketing</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>Partnership Allocation</b>					
Insert Additional Line Items	\$0	\$0	\$0	\$0	\$0
Sub-Total	\$0	\$0	\$0	\$0	\$0
<b>ELIGIBLE FUNDING TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PARTNERS' CONTRIBUTIONS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>INITIATIVE TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## APPENDIX B

### EXAMPLE PARTNERSHIP PROJECT PROPOSAL TEMPLATE

Please submit your completed proposal template to the ministry. If there are multiple projects with similar deliverables, objectives and performance measures you may bundle them together. Please ensure bundled projects are identified separately under key activities in Part 2.

#### Part 1

Project Name:	<b>Rad Road Tripping</b>		
Start Date:	<b>April 20, 2014</b>	End Date:	<b>January 31, 2015</b>

#### Project Deliverables *(Please provide a brief description)*

*The RTO should briefly describe what the project is and the planned result of the key activities in 3 -5 sentences. Partners can be listed here or in the Additional Information section.*

The RTO is working with 3 DMO partners to develop a fall driving tours marketing campaign beginning in August to mid-October. Tours support a criteria based drive of 1 – 3 days for the Knowledge Seekers segmentation group in the GTA and selected Central/Southwestern Ontario cities. The campaign will target these consumers through a variety of online tactics including Zoomer magazine and the Globe and Mail online.

#### Project Objective *(Please provide a brief explanation)*

Please explain how this project aligns with partnership fund goals and eligibility as outlined in the ministry guidelines.

*The RTO should refer to Page 31 of the RTO Guide to review the objectives of the partnership fund. There are also a number of eligibility factors to consider i.e. funding process, contributions, expenses and project lead.*

This initiative leverages the opportunity for regional travel across municipal DMO boundaries and supports the RTOs priorities to increase tourism spending. Working with DMO partners brings new financial resources to the campaign and allows for a great collaborative impact and spend.

DMO partners will also support the campaign with individual tactics that build on their own database development but support the messaging of the regional stay.

Please explain how this project aligns with the RTO business plan and links to pillar(s).

*The RTO should demonstrate how this project aligns with the plans they have submitted to the ministry.*

The RTO's marketing pillar includes an objective to "increase mid-week tourism spending in the spring and fall shoulder seasons by offering compelling product experiences that extend stay." The campaign will be developed to offer incented opportunities to mid-week travel.

The RTO marketing plan identifies the need to bundle accommodations offers into marketing activities to increase the spend for overnight stays. Accommodations offers will be available as part of this campaign. Finally, the Knowledge Seekers segment is one of the key market segments for the RTO 2014 marketing plan and the product offering for this campaign aligns with the interests of this segment (culture, discovering new surroundings).

Please explain the rationale/ need/ demand for this project.

*The RTO should explain why this project is important for the region and how supporting this project is vital for enhancing tourism.*

Within the region the fall colours and fall studio tours have been growing organically throughout the past two years.

Data from the Ontario's fall colour reports shows that the region includes 4 of the top ten destinations for fall foliage tours. In the fall of 2013, studio tours reported an increase in visitation of 20% with the majority of this being represented by tourists.

Please explain if this project supports a new activity or enhances an existing one in the region.								
<i>The RTO should explain the above and describe the benefits of the partnership project.</i>								
The Lakes and Valleys Tourism Association has offered fall foliage tours on their website for the past three years. There has been a steady growth in downloads of tour itineraries since its inception. This initiative looks to expand this project with a more targeted segmentation approach and a three year plan to support measured growth.								
<b>Project Description</b> <i>(Complete Template on Page 2)</i>	<b>Yes</b>	<b>No</b>						
Are there defined key activities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
Are there defined RTO and partner roles based on the key activities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
Are there S.M.A.R.T performance measures?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
Is the RTO the project manager/lead? <i>If the RTO is not the project manager/lead please refer to Page 35 of the RTO Guide and briefly explain how requirements are being met in the Additional Information section below.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
<b>Financial Information</b>	<b>Yes</b>	<b>No</b>						
Are project costs eligible as outlined in the ministry guidelines?	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
Are goods and/or services being procured to complete this project (greater than \$5,000)? <i>Where the purchase price exceeds \$5,000, the RTO will, at a minimum, obtain at least three written quotes</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>						
What is the project budget? <i>A separate budget attachment may be provided for bundled projects</i>								
<table border="1"> <tr> <td>Total</td> <td>\$ 60,000.00</td> </tr> <tr> <td>RTO Contribution</td> <td>\$ 30,000.00</td> </tr> <tr> <td>Partner (s) Contribution</td> <td>\$ 30,000.00</td> </tr> </table>			Total	\$ 60,000.00	RTO Contribution	\$ 30,000.00	Partner (s) Contribution	\$ 30,000.00
Total	\$ 60,000.00							
RTO Contribution	\$ 30,000.00							
Partner (s) Contribution	\$ 30,000.00							

Additional Information:	A general partnership agreement has been developed indicating lead role of RTO and requirements of DMOs to support the development, delivery and results assessment of the project.
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## Part 2

The template below will be used to amend your transfer payment agreement. Outline all activities being undertaken with partnership allocations provided by the Ministry as well as the partnership allocations from partners.

<b><u>STRATEGIC FOCUS:</u> Marketing</b>					
<b><u>OBJECTIVE(S):</u></b>					
<ul style="list-style-type: none"> <li>Increase mid-week tourism spending in the spring and fall shoulder seasons by offering compelling product experiences that extend stay.</li> </ul>					
<b><u>PERFORMANCE INDICATORS:</u></b>					
<ul style="list-style-type: none"> <li>Develop 6 Rad Road trips that offer 1 – 3 day driving experiences supporting key demand generators for fall foliage/cultural tours throughout the region.</li> <li>Bundle accommodation offers into all driving experiences with clickable ‘book now’ capability.</li> <li>Number of itinerary downloads, online referrals, leads developed, bookings and analysis of consumer interests.</li> </ul>					
<b>Key Activities 2014-15</b>	<b>Continued or New Activity</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<i>RTO The RTO should describe the key activities they are responsible for as part of their partnership agreement. This will create transparency on the RTOs role in the project.</i>					

<i>Develop 6 criteria based tour itineraries with DMO/stakeholder input</i>	<i>New</i>	<i>X</i>			
<i>Finalize marketing tactics with partners</i>	<i>New</i>	<i>X</i>			
<i>Negotiate corporate sponsorship with Zoomer magazine</i>	<i>New</i>	<i>X</i>			
<i>Establish, develop and analyze performance metrics for campaign</i>	<i>New</i>	<i>X</i>	<i>X</i>	<i>X</i>	
<b>PARTNER (S)</b> <i>The RTO should describe the key activities partner(s) are responsible for as part of their partnership agreement. This will create transparency on the Partner(s) role in the project.</i>					
<i>Support itinerary development with supplier referrals</i>	<i>New</i>	<i>X</i>			
<i>Support RTO marketing tactics</i>	<i>New</i>		<i>X</i>		
<i>Provide content and stakeholder liaison</i>	<i>New</i>	<i>X</i>	<i>X</i>		
<i>Develop and track performance metrics assigned to campaign</i>	<i>New</i>	<i>X</i>	<i>X</i>	<i>X</i>	

## DOCUMENT CHANGE RECORD

Date	Change Reference
<b>October 2014</b>	<ul style="list-style-type: none"> <li>● Revised dates to reflect fiscal year 2015-16</li> <li>● Added list of eight Performance Measures and reference to the Performance Measures Glossary</li> <li>● Added sentence on relevance of the Broader Public Sector Accountability Act to RTOs</li> <li>● Added information on annual TPAs including updated negotiation process and timelines</li> <li>● Removed information on multi-year TPAs</li> <li>● Revised description on the use of Schedule C including limits for operational measures</li> <li>● Added additional details on partnership funding such as project proposals and cost sharing</li> <li>● Added information on procurements under \$5K</li> <li>● Added details to eligible and ineligible costs</li> <li>● Added section on insurance requirements</li> <li>● Added information on the Tourism Regional Information Portal (TRIP)</li> </ul>
<b>October 2015</b>	<ul style="list-style-type: none"> <li>● Revised dates to reflect fiscal year 2016-17</li> <li>● Added information about Government of Ontario Strategic Priorities</li> <li>● Clarified the applicability of Broader Public Sector Accountability Act to RTOs</li> <li>● Revised to reflect the current sections of the TPA</li> <li>● Updated TPA preparation process and timelines</li> <li>● Revised section on in-year amendments</li> <li>● Revised descriptions on the uses of Schedules C and D</li> <li>● Removed section on what The Ministry looks for in a Marketing Plan</li> <li>● Removed section on converting the Business Plan and Marketing Plan into the TPA</li> <li>● Added information about the payment plan for 2016-17</li> <li>● Clarified the requirements for financial statements</li> <li>● Revised term from partnership funding to partnership allocation</li> <li>● Update to partnership allocation section</li> <li>● Revised section on eligible and ineligible costs</li> <li>● Revised the section on HST</li> <li>● Added section on interest</li> <li>● Revised procurement section to reflect current TPA</li> <li>● Clarified acknowledgement requirements</li> <li>● Clarified French Language Services requirement</li> </ul>