

Ministry of Tourism, Culture and Sport

Regional Tourism Organizations Guide



This document is for Regional Tourism Organizations, which are funded by the Ministry of Tourism, Culture and Sport to profitably grow visitor spending in Ontario.

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Section 1: Introduction

Purpose

The purpose of this guide is to provide general information to the board members and staff of Ontario's 13 Regional Tourism Organizations (RTOs). These guidelines are developed to help gain a better understanding of the Regional Tourism Program and are by no means exhaustive. Should you have any enquiries, please direct them to your regional tourism advisor. The guide assists with the parameters that will help to develop effective business plans, including outlining the government requirements that must be met to ensure effective and appropriate use of public funds.

Context

Strategic Framework for Tourism in Ontario

The [Strategic Framework for Tourism in Ontario](#) was released in November 2016. The Framework is a tool to guide the work of both government and industry to maximize the growth and competitiveness of Ontario's tourism sector, and position our province as a global tourism destination of choice. Encouraging the government, OTMPC and other government agencies, RTOs, Destination Marketing Organization (DMOs), sector associations and industry partners to approach marketing and product development in a coordinated way.

The Framework signifies a shift in the way government and industry will work together, encouraging more collaboration, communication and clarity around roles and responsibilities that will respond to changing market drivers and be more outcome-focused.

Over five years, the Framework will:

- Build more alignment and efficiencies in Ontario's marketing system
- Enhance tourism's local economic impact through the regional tourism approach
- Develop the tourism workforce with our industry partners
- Improve Ontario's business climate by addressing tourism as the 7th sector in the government's Red Tape Challenge.

Ontario's Tourism Action Plan

[Ontario's The Tourism Action Plan](#), an important step in the development of the Framework, outlines 12 initial actions the government will take to respond to the suggestions heard in the engagement process.

The actions support key areas of focus in the Framework, including improving marketing alignment, building on the regional tourism model and identifying opportunities to strengthen the workforce and improve the business climate. Together, they set the foundation for future growth and collaboration.

The Framework and Action Plan together respond to the industry's call for a multi-year strategic plan to support tourism growth in Ontario.

Strong partnerships and a coordinated regional approach are key to the future sustainability of tourism across the province. RTOs have an important role to play in growing the tourism industry.

Ontario's Regional Tourism Organizations

RTOs lead tourism growth in the regions by coordinating the development and delivery of tourism strategies in partnership with key tourism partners including but not limited to Destination Marketing Organizations and the Ontario Tourism Marketing Partnership Corporation (OTMPC).

RTOs are responsible for working with industry partners to grow tourism through activities such as strategic planning, research, product development, workforce development, investment attraction, marketing and partnerships. Strong partnerships and a coordinated approach are essential to the future sustainability of tourism across the province.

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

Section 2: RTO Program

Strategic Objective

To profitably grow visitor spending in Ontario.

RTOs Roles and Responsibilities

It is the role of the RTO to:

- Develop a regional marketing strategy that is in alignment with the provincial brand architecture
- Create a multi-year regional tourism strategy in collaboration with key partners
- Build inter-and intra-regional partnerships
- Be a single point of contact for tourism management at the regional level for both industry and the provincial government
- Develop and maintain a product inventory and identify product development strategies
- Ensure financial responsibility and accountability for appropriate spending of funds, as well as financial sustainability by identifying additional revenue streams
- Provide leadership and coordination to support competitive and sustainable tourism regions
- Equip regions to attract more visitors, generate more economic activity and create more jobs across the province
- Inform the region on RTO strategic planning and decision-making
- Help to tell the RTO story and promote successes.

Governance and Operations

The ministry requires that all funding recipients have an appropriate governance structure in place as a condition of receiving of funding. Governance structure, control procedures and previous funding history speak to the capacity of

recipients to deliver on projects and provide good value for taxpayer money. It is expected that RTOs will enable boards to:

- Ensure that the board of directors is effective (e.g. through governance training, board meetings, annual general meetings, selection/retention/succession planning, reviewing and updating by-laws) and has the required skills, knowledge, experience, capabilities and behavioural competencies to enable the RTO to meet its objectives
- Ensure that the duties of the board are carried out. These include but are not limited to review and approval of the business plan, transfer payment agreement (TPA) and financial reports.
- Make sure that a clear governance structure is in place. This is necessary to ensure that regional tourism has the full powers, mandate, decision-making mechanisms, by-laws policies and organization structure to deliver on the defined roles and responsibilities
- Ensure accountability and appropriate reporting and performance measurement requirements are met
- Carry out activities and use funds without actual, potential or perceived conflicts of interest
- Become a catalyst in building strategic alignment and promoting collaboration within the industry
- Develop a regional strategy, including the vision, mission and values, and structure to support achievement of the RTOs purpose
- Staff the RTO with the complement of employees required to meet the organizations objectives
- 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.

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.)

RTOs are also encouraged to include reciprocal links to partner websites.

Ontario Yours to Discover logo



OTMPC has a logo for the Canadian (domestic) audience that is available in 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. 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 guideline for the Ontario Yours to Discover logo is available on the [OTMPC industry website](#).

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.

The Ontario Logo Style guide is available on [Tourism Regions Information Portal \(TRIP\)](#).

MTCS Strategic Priorities

RTOs are encouraged to undertake projects and programs that support strategic priorities set by the Ontario government.

- Multicultural, Indigenous, Francophone culture and heritage
- Culinary, beer & wine
- Trails
- Cycling
- Great lakes and waterways
- The Accessibility for Ontarians with Disabilities Act.

Francophone Culture and Heritage

Francophone visitors are an important market for Ontario. One of the 12 action items of Ontario’s Tourism Action Plan addresses Francophone Tourism through increased collaboration across governments and with industry partners to develop a strategic approach to advancing multi-cultural, Francophone and Indigenous-led tourism in Ontario. The Strategic Framework for Tourism in Ontario reiterates the commitment to Francophone tourism by collaborating across government and with industry partners to identify opportunities to advance Francophone tourism in Ontario; and evaluating options that assess market readiness, capacity building and an authentic promotion of both past and current cultural connections.

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.

For information on how to make your organization bilingual, please consult Heritage Canada's [Making your Organization Bilingual](#).

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
- Provide French-language services to the public (in person, on the telephone, via the internet or by any other means).

RTO Funding

RTO funding approach 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 it has secured funds from eligible partners in support of regional activities.
- Partnership allocation is based on 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.

Section 3: RTO Logic Model

A logic model is a representation of the program elements and the links between them, including objectives, activities, outputs and outcomes. It provides a picture of how the program works. The RTO logic model components outline a strategic objective, pillar objectives, potential activities, outputs and outcomes for the five program pillars: Product Development; Investment Attraction and Investor Relations; Workforce Development and Training; Marketing; and Partnerships.

Components

The RTO Logic Model is available on [TRIP](#).



Section 4: Performance Measures

The performance measures should be related to “pillar objectives” rather than associated activities. The intent is to measure progress toward meeting the pillar objective.

They should be:

- Valid – a true measure of what they are intended to measure
- Reliable – results do not vary with different users of sources of the same measure
- Sensitive – capable of measuring differences and change over time.

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.

Good objectives and performances measures should be SMART:

Letter	Major Term	Minor Terms
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

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 but rather a process of determining what needs to be measured, then gathering information/data to measure progress towards the achievement of the outcomes.

Strong performance measures (quantitative and qualitative) help tell the story of how RTOs contribute to tourism growth/development and economic activity. These measures are expected to be used to inform future year objectives, activities and timelines.

Section 5: Business Plan

Overview

The business plan is an important requirement for RTOs. The business plan must identify strategic areas on which the RTO will focus 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 plan must address the five key pillars for which funding is being provided.

RTOs are encouraged to produce their ministry-approved business plans for public release to their members and stakeholders.

Business Plan Requirements

Executive Summary

- Top 3-5 major successes in the past years
- What the RTO will focus on in the coming years
- Shifts in focus from the past to the future? and why
- Mission and vision statement which outline goals and demonstrate the link to the strategic objective
- It is important that RTOs show how they are helping to build tourism capacity in their regions – including how their activities complement those of other key industries, economic development and community stakeholders.

Organizational Structure

Provide an organizational chart to illustrate the governance and management structure of the RTO, including the structure of the board. Provide biographies of board chair and senior management.

Business and Operational Overview

Describe how the business operations of the RTO support the implementation of the business plan. Ensure that there are clear and accountable monitoring of activities and reporting mechanisms within the organization and to government.

Regional Overview and Assessment

Include relevant tourism research, market analysis, trends and competitive analysis.

Example sources:

- Ministry of Tourism Culture and Sport (MTCS) Research Unit: Regional Profiles, Tourism Regional Economic Impact Model (TREIM), etc.
- Statistics Canada
- Ontario Tourism Marketing Partnership Corporation
- Consumer Insight Research
- RTO internal research

Pillars

The Regional Tourism Program is divided into five pillars: Product Development, Investment Attractions/Investor Relations, Workforce Development and Training; Marketing; and Partnerships.

The ministry, in conjunction with RTO feedback, has developed a single universal objective for each pillar. These objectives provide clear direction for the development of activities but are broad enough in range to allow flexibility between regions.

For each pillar, RTOs should provide context and rationale for activities and outline how they will support the achievement of the objective.

RTOs should include the below objectives, identify activities, goals or targets, timing (per quarter) and outline the performance measures that will be used to report against pillar objective. It is not expected that every step be included, however the level of detail needs to clearly describe the work. RTOs also should also identify the quarter(s) in which the key activities will take place.

1. Product Development

Objective

To enhance visitor experience through well-designed tourism products that meet current and future customer demand.

2. Investment Attraction / Investor Relations

Objective

To increase investment in the tourism industry to enhance visitor experience.

3. Workforce Development and Training

Objective

Facilitate and support the attraction, development and retention of a tourism workforce to enhance the customer experience.

4. Marketing

Objective

To increase awareness of Ontario as a travel destination and increase conversion in target markets.

Additional Requirements:

In addition to the pillar requirements, RTOs will need to provide the following:

Target Market(s)

List the geographic markets (ON, Canada, US, International). If more than one geographic market is identified estimate the percentage of budget allocated to each.

Consumer Profile(s)

Describe the demographic or consumer segment (TNS Research, Destination Canada's Explorer Quotient or other research) that will be targeted.

Featured product(s) and experience(s)

Provide an overview of the products or experiences that will be promoted in the marketing initiatives.

Marketing Activities and Tactics

For each activity or campaign that will be undertaken, provide a brief description, goals and targets, and timing (per quarter). If more than one initiative or tactic is identified, estimate the percentage of budget allocated to each. Sample initiatives and tactics include:

- Brochure distribution
- Tradeshows/consumer shows
- Media and public relations activities (including familiarization tours)
- Meetings, incentives, conventions and events
- Online/digital/social media
- Outdoor advertising/billboards
- Print advertising
- Radio and television
- Travel trade
- Content investments
 - Website
 - Photography
 - Video
 - Website design
 - Written content

Provincial Brand Alignment

Identify how your marketing strategy aligns with the provincial brand architecture and provincial marketing efforts; and with any other key partners such as DMOs and sector associations.

5. Partnerships

Objective

To become a catalyst in building strategic alignment and promoting collaboration within the industry.

This pillar is for projects that the RTO will be undertaking with third parties (any partner other than MTCS) in order to access its Partnership Allocation.

The performance measurement for this objective is the Stakeholder Satisfaction survey, administered by the ministry every two years. RTOs may develop additional performance measures for this objective if they wish.

For more information please see the Partnership Section below.

Risk Identification, Assessment and Mitigation Strategies

Identify any barriers or possible risks to successfully delivering on the plan and include which steps are being undertaken to address these risks. Addressing risks is an important step in ensuring that the stated objectives are met.

Resources

Address how you plan to manage employees and the human resources process to align with the business plan. Outline the alignment of current resources and any short- or long-term plans for employee recruitment, training and retention. Develop and implement the required human resource policies and procedures to effectively manage and support the operation of the RTO.

Budget

The budget should be laid out to reflect spending net of any HST rebates itemized by the five pillars and broken down quarterly. Budget expenses should directly align with activities and timelines outlined in the business plan.

Submission

The RTO submits its board-approved business plan to both its RTU Tourism Advisor and the Toronto office.

In Q3, the ministry will advise the RTOs on:

- Appropriate timelines for the submission of the business plan
- 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.

If required, ministry staff will work with RTOs to obtain further information or clarification related to the business plan. Upon completion of the review, the ministry may request an updated board-approved business plan in order to draft the TPA.

Section 6:

Transfer Payment Agreement and Reporting

Transfer Payment Agreement

Overview

The Ontario government transfer payment funding (e.g. RTO funding) is annualized funding and as such it is dependent on the ministry receiving the necessary appropriation from the Ontario Legislature. If the Legislature does not approve the allocation, the ministry has the right to reduce any funding agreed to in a TPA.

The TPA is a negotiated agreement based on the business plan. While the TPA extends over set number of years it is outlined in each fiscal year.

The TPA comes into effect once the RTO board chair and executive director/CEO and the ministry have signed the agreement. RTOs need to be familiar with the clauses and schedules in this legal document.

TPA components:

- Schedule A: General terms and conditions
- Schedule B: Project-specific information and additional provisions
- Schedule C: Project descriptions and timelines
- Schedule D: Budget
- Schedule E: Payment plan
- Schedule F: Reporting

Schedule details are available on [TRIP](#).

Preparation

The ministry will use the approved business plan to draft the TPA and email a draft to the RTO. The RTO is expected to review and provide feedback on the final draft.

It is important to note that TPA must be in place between the ministry and the recipient before the funding is flowed.

Execution

- Ministry staff finalize the TPA
- Ministry emails final version to the RTO
- RTO reviews the final version, coordinates necessary signatures (board chair and executive director) and returns to ministry
- Upon receipt of the RTO signed electronic copy, ministry staff coordinates necessary ministry signatures
- An electronic copy of the TPA signed by both parties is returned to the RTO.

Initial payment:

- Upon completion of the TPA, 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.

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 ineligible expenses may be recovered by the ministry.

Amendments

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.

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 be

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.

Reporting

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.

RTOs are required to provide electronic copies of any reports and/or documents produced as part of the agreement including:

- Strategies, plans developed
- Research materials
- Brochures, programs, handouts, newsletters etc.
- Marketing materials

Report: Progress

RTOs are required to submit progress on their report each year, outlining the achievements made on implementing requirements under the TPA. The report also includes a budget and partnership attestation templates.

Partnership Attestations

See “Reporting on Partnership Projects” under Section 7: Partnerships Allocation

Budget to Actual Report

RTOs are required to submit a budget-to-actual report each year with a year-end forecast in the month of December. The report will cover the period of April 1st – November 30th and will forecast to March 31st. This report will provide the ministry with an up to date and accurate financial position of the RTOs to support year-end planning.

Report: Final

RTOs are required to submit a report each year outlining the achievements made on implementing requirements under the TPA. The report also includes a budget and partnership attestation templates.

Financial Statements

See “Financial Statements” under Section 8 Finance and Administration

Section 7: Partnership Allocation

Overview

Regional Tourism Organizations (RTOs) are eligible to receive additional funding from the ministry 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 RTO 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 RTO's business plan.

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 the future sustainability and increased competitiveness of tourism across Ontario.

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.

Project Management

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 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 cases, the RTO and partners may be considered co-leads of projects with equal representation on the collaborative effort.

In either circumstance, the following requirements must be met:

- The RTO is actively involved in the governance and oversight of the project.

- The RTO or co-lead may lead procurement, ensuring that all procurements, whether for goods or services, follow a proper procedure and can be justified as responsible use of taxpayer funding.
- Where the purchase price exceeds \$5,000, the RTO or co-lead ensures that, at a minimum, at least three written quotes are obtained. It is best practice to obtain at least three quotes, formal or informal, regardless of the purchase price.
- The RTO or co-lead must ensure that for all procurements, whether for goods or services, the partner organization must not bid to avoid conflict of interest, both real and perceived.
- The RTO and co-lead 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 and the amount contributed by each. MOUs must be kept on file and produced at the request of the ministry.

Funding Process

The ministry provides the RTOs with their overall partnership allocation 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 RTO's 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 the ministry.

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, ministry 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 ministry funding must be recovered.

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.

Funding Arrangement

Partnership allocations **must not** flow through 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. The RTO must:

- Fully, and in a timely way, account for project spending and partner(s) contributions in accordance with generally accepted accounting principles and clerical practices
- Obtain copies of all eligible project invoices and proof of payment for its records
- Attest to the partner organization(s) contribution amount
- Prepare year-end audited financial statements that include all financial details related to partnership projects.

Cost Sharing

While the ministry does not prescribe cost-sharing ratios between the RTOs and the partner organization(s) (i.e. 50/50, 60/40, etc.), it is important to note that it 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 contribute to a project to support the objective of broadening their financial base. The partner organization contribution must be financial and not in-kind.

In addition, RTOs may find it beneficial to utilize cost-sharing ratios to encourage a variety of projects. Currently, approximately 50 per cent of partnership projects

are marketing projects. While marketing is integral to attracting visitors to the regions, it is also important to ensure future growth by placing additional emphasis on developing products and experiences, attracting new investment and ensuring a trained workforce.

RTOs are able to encourage partnerships in these areas by setting ratios to enable innovation from partners. For example, an RTO may find that setting product development partnerships at a 1:2 ratio (for every \$0.50 a partner gives, an RTO would provide \$1) would encourage further development of projects.

RTOs are able to set these ratios as needed to create key partnerships within their region.

Ineligible Contributions, Partners and Conflict of Interest

RTOs are not able to leverage funds obtained from other Ontario government ministries, workforce boards or ministry agencies and attractions (a full list is available on the ministry public website under [Agencies and Attractions](#)).

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 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.

Partnership Submissions

The ministry requires all RTOs to integrate partnership initiatives into the business plan wherever possible to reduce administrative burden. This will also allow the RTOs to ensure that projects are aligned with the activities in their business plan.

All partnership project proposals that are not included in the plan must be RTO board approved and submitted for ministry review and approval.

Partnership project proposals must be submitted at least 20 business days prior to the project start date. The ministry requires at least seven business days to review and approve proposals.

After project proposals 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 TPA through a signed, amended TPA agreement at an agreed upon time.

Reporting on Partnership Projects

The RTO report includes a partnership attestation form that confirms 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. RTOs are required to report on any variances or modifications to partnership allocation submissions identified in the business plan or in the RTO progress and final report.

The final report, financial audit and schedule of revenues and expenses as per the TPA should include funds provided by the ministry as well as any 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 partnership attestation form will not be considered for accessing ministry funding for partnership allocation.

Section 8: Finance and Administration

Budget

The budget should be laid out to reflect spending, net of any HST rebates, itemized by the five pillars and broken down quarterly. Budget expenses should directly align with activities and timelines outlined in the business plan.

Administrative Costs

All program staff costs are to be reported in the budget under the appropriate pillar with the exception of the executive director's salaries and benefits which should remain under Governance and Operations. Where staff costs bridge more than one pillar the alignment should be measured in terms of quarter percent.

Example 1: Product development consultant who spends part of their time on investment attraction:

Budget:

Product Development - Salaries and benefits – 75% salaries and benefits

Investment Attraction - Salaries and benefits – 25% salaries and benefits

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.)
9. Expenses that do not relate directly to the delivery of the TPA.

This is not an exhaustive list. Should you have any questions please consult your regional tourism advisor.

Harmonized Sales Tax

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.

Eligible RTOs are required to claim HST and other types of rebates on eligible purchases and expenses.

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.

Variances

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 percentage is 10 per cent 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 it 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 accepted Canadian 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, reference 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 – by pillar)
- 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

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 Ontario Minister of Finance.

Interest

As per section 4.4 of the TPA, 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 4.5.

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 *Broader Public Service Accountability Act, 2010* (Ontario), 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.

It is good practice to observe certain procurement best practices or guidelines to ensure the process is open, fair and transparent. Further information on best practices is available on [TRIP](#) including:

- Guiding principles behind procurement best practices
- Travel, meals and hospitality
- Vendor of record

Section 9: Resources

Tourism Regions Information Portal ([TRIP](#))

TRIP is an easy to use, one-stop portal where RTOs can acquire the most up to date information on ministry policies and programs and readily access necessary documents and templates. TRIP also provides RTOs with a platform for collaboration by sharing best practices and 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:

[TRIP](#)

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

Resources available include:

- Regional Tourism Unit contacts
- Ontario logo style guide
- RTO logic model
- TPA
 - Accountability cycle
 - Schedules
 - RTO TPA cycle
- Report templates
- Guiding principles behind procurement best practices
- Travel, meals and hospitality
- Vendor of record
- Web links