The South Dakota Community Foundation considers the Community Savings Account partnerships as the flagship program for the statewide organization. This program has enabled communities of all sizes across South Dakota to discover the impact a sustainable, philanthropic effort can have on their futures. The following policy on challenge grants shall govern the partnerships between the South Dakota Community Foundation and local Community Savings Accounts as this program continues to expand.

I. All SDCF Community Savings Accounts may apply for a challenge grant at a 1:4 or 1:8 ratio. No CSA is guaranteed to receive a challenge grant. New CSAs are given priority for challenges over established CSAs.

II. Challenge grant funds may be offered to communities on a 1:4 ratio, if it is their first challenge grant request. $25,000 is available in matching funds on an initial development drive. This means the local community must raise $100,000 to receive a $25,000 matching grant from the SDCF.

III. Customary timeframe of a challenge grant is three years.

IV. Only funds raised by the local community for unrestricted purposes, with the distribution authority granted to the local Community Savings Account board of directors, shall count toward the matching funds.

V. Any funds that do not give full, unrestricted grant making authority to the local board of directors shall not count toward the match. This may include, but not be limited to, scholarship funds, designated funds, donor advised funds, and field-of-interest funds.

VI. Communities may establish sub-funds specifically named for the donor at a certain level of giving (minimum of $10,000), but in order for such funds to count toward the matching grant, they must remain unrestricted. Each sub-fund must have a separate fund agreement or memorandum of agreement with the South Dakota Community Foundation.

VII. After 2 years, a community savings account that has successfully completed a challenge grant from the South Dakota Community Foundation can apply to be considered for an additional challenge for a match ratio of 1:8.

VIII. Challenges may be adjusted to accommodate community needs or initiatives.

IX. Challenge grant funds are limited to dollars available.