

**Office of Tourism**  
**Matching Dollar Challenge Program Requirements**  
**Version 07.01.10**

In FY2008, Governor Rounds added an additional \$1 million to the Office of Tourism's budget to be used solely for new marketing initiatives, called the Million Dollar Challenge Program. Funds must be used for marketing and promotional purposes. Beginning in FY2011, the program will be called Matching Dollar Challenge Program.

Beginning in FY2010 (July 1, 2009), the Matching Dollar Challenge Program was funded from the Office of Tourism's budget, due in part to the increase in the Tourism Tax from 1% to 1.5%.

Few of the original guidelines were changed; mainly, some have been clarified.

**Program Guidelines:**

**1. Marketing Strategy**

In order to be considered for the matching challenge funds, participating organizations must illustrate that funds will be used in cooperation with the Office of Tourism's marketing efforts.

The applicant must develop a marketing plan that shows how they specifically intend to invest the designated Matching Dollar Challenge Program (MDC) funds, and how they will help the visitor industry in South Dakota grow.

Political or religious events or projects are not eligible for MDC funds.

**2. Communication**

- A. Each partner must make an effort to inform the Office of Tourism of their project throughout the year.

This effort includes:

- The applicant will provide notice of all meetings to the Office of Tourism and the Tourism Advisory Board Liaison at least five business days in advance of the meeting.
- The Office of Tourism shall receive a copy of the minutes from each meeting no later than 30 days after the meeting.
- The Office of Tourism shall receive a copy of any reports or publications distributed by the partner associated with this project.
- The Office of Tourism shall receive a copy of primary contacts of the partner as changes are adopted.

- B. All projects using MDC cooperative funding must have at least three of the measurement tools listed below, developed by Tourism, specified in the contract to verify each project's success or failure. These measurement numbers/amounts must be part of the year-end report. The measurement tools will be mutually agreed upon by the Office of Tourism and the partner.

Measurement tools include:

- Attendee counts
- Web traffic

- Phone calls
- Visitor guide requests
- Coupon redemptions
- Sweepstakes entries (leads)
- E-newsletter subscribers
- Hotel occupancy (BBB tax-city)
  - Lodging tax (city)
  - Tourism tax (city)
  - 4% sales tax (city)

Source: South Dakota Department of Revenue and Regulation

- C. Each partner is required to submit a project-end report to the Office of Tourism within six weeks after project's completion. Tourism will provide the project-end report format to the partner.
- D. All projects using contract funding must recognize the South Dakota Office of Tourism's partnership through inclusion of the "Great Faces. Great Places" logo and/or the text, "Funding for this XXX is provided in part by the South Dakota Office of Tourism." unless otherwise specified in the written communication from the Office of Tourism. The South Dakota logo must be sized to equal the partner's logo on the same page and the text detailing the effort may not be smaller than an 8-point font size. If the partner's logo does not appear on the promotional material, the inclusion of the text referring to the South Dakota Office of Tourism's investment, rather than the full Great Faces. Great Places. logo is sufficient. This requirement may be revised for each specific publication, advertisement or project depending upon the size of the final piece.

### **3. Funding and Payment**

#### **A. Matching Funds Contributions**

Organizations wishing to apply for the MDC must provide a minimum of 50 percent of the total project marketing costs. The proposed funds can be a portion of existing budgeted funds.

The following funds are not considered "matching funds" for the MDC:

- Ticket sales or product sales revenue from the proposed project;
- Advertising sales revenue from the proposed project;
- Other funds from other state agencies.

If the MDCP applicant was the recipient of matching funds from the previous year's MDC, the applicant may continue funding their share in the same fashion as the previous year, but must demonstrate enhancements to their proposed plans.

#### **B. Time Limits to Fund Projects**

MDCP will be considered on a case, by case basis. New projects may possibly be funded for up to two years, but existing projects may possibly only be funded for one year.

#### **C. Marketing Expense Payments**

The State will make payment for the agreed upon marketing efforts upon satisfactory

completion of the services and receipt of a corresponding invoice from the approved partner.

The following expenses do not qualify for matching funds payments from the MDCP:

- Salaries, wages, and fringe benefits;
- Capital asset or equipment purchase and/or rental thereof;
- Administrative costs (i.e. office supplies);
- Travel;
- Accounting and legal services;
- Tax and license fees;
- Food and beverages;
- Prizes.

The Office of Tourism reserves the right to decline any proposed expenses for other purposes not expressly listed in this section.

**D. Cooperative Marketing**

Funds associated with the MDC may be used to participate in some existing Office of Tourism cooperative marketing programs. Challenge funds are meant to generate new marketing investment in the South Dakota visitor industry so expenditures outside of the Office of Tourism's programs are encouraged.

Examples of Cooperative Marketing Programs that do not qualify for this program:

- Giant Step;
- Great Getaways;

(These are first-come, first-served Office of Tourism marketing programs, so MDC projects do not qualify to advertise in these.)

Similarly, funds from the MDCP can be used to participate in other currently existing cooperative marketing efforts associated with a Regional Tourism Association, Chamber, CVB, DMO, etc.

Examples of marketing programs that do qualify for this program:

- South Dakota Vacation Guide advertising;
- Regional Tourism Association Travel Guide advertising;
- Association membership fees.

FOR INFORMATION:  
Nicole Soukup, Grant Facilitator  
Matching Dollar Challenge Program  
South Dakota Office of Tourism  
711 E. Wells Avenue  
Pierre, SD 57501  
email: nicole.soukup@state.sd.us