



SCFD STATUTORY EXCLUSIONS FOR USE OF FUNDS

The following are categories for which SCFD funds MAY NOT be used according to the SCFD statute:¹

1. Capital construction
2. Acquisition of real estate and buildings
3. Payment of debt principal or interest, e.g., mortgages
4. Creating or building an endowment
5. Re-granting of funds to other organizations or to individuals, e.g. artists
6. Scholarships (see definition below)
7. Expenditures in excess of \$10,000 in a single year for either improvements to free-standing exhibits or physical accessibility improvements made pursuant to compliance with the Americans with Disabilities Act (ADA)

Many organizations use the term “scholarship” to describe expenditures. For the purpose of SCFD, a scholarship is defined as the actual act of giving money to an individual for a scholarship purpose or a monetary award. Using SCFD funds to reduce/offset the price of an event/program/class so individuals are better able to afford the organization’s offerings is acceptable. If you still have questions regarding this distinction, please contact the SCFD office.

NOTE: Individual county Tier III grant guidelines may contain additional exclusions.

¹ This list is not all-inclusive but does identify the most common exclusions, which are primarily derived from the statutory definition of “annual operating expenses,” the statutory eligibility criteria for recipients, and generally prohibited uses of public tax dollars.