

SODA Report – 2004 – SODAsite Magazine

Everything you need to know about getting a Business Grant

www.businessplanning-4-you.com

Instant advice

- This document is written for the North American market, as this forms over 90% of our customer base, but the advice is exactly the same for Europe, with local councils being your first point of contact. It should also be noted that the EU are the largest grantor in Europe, by far.
- Be very wary of anyone who promises or guarantees they can get you a grant or a loan, particularly if you must pay in advance for the service.
- If you are tempted to respond to one of these offers because of a money-back guarantee, be aware that they may impose so many conditions it could be difficult to ever get your money back.
- If you are experiencing financial problems and believe you may qualify for some kind of aid, check with your city or state unemployment or social assistance office.
- Check the Better Business Bureau for complaints about a company before sending money.
- Advertising in recognized media outlets or on the Internet does not guarantee the legitimacy of the company behind the ad.
- You must be prepared to write a business plan and complete the funder's forms. You will not get a grant without a business plan.
- **DON'T EVER PAY ANYONE FOR INITIAL INFORMATION BUT BE PREPARED TO PAY FOR INFORMATION THAT ACTUALLY LEADS YOU TO A SOURCE OF GRANT FUNDING.**

Let us be very clear though, it is certainly possible to get business grants, anywhere in the world, and the best way to do it is to do it yourself.

Write your plan and then approach recognised funding bodies and respected advisory bodies – there are no short-cuts and you could spend a lot of money, and a considerable amount of time, finding that out.

Free Money?

Many individuals are looking for grants or "free money" to start their business. They may have read or heard that free money for business owners exists, and how easy it is to get hold of these monies. Some have read ads, in print or on the Web, offering them information as to where to get free grants. With these ads making it look like there is money out there for the taking, who wouldn't dream to get a part of it?

But, is there really free money out there for small and home-based businesses?

The answer is yes but you will have to work for it. Although the money is free, preparing to get it can be frustrating and time-consuming, but getting free money is certainly not impossible.

There are hundreds of millions of dollars in grant funding available free to entrepreneurs and small business owners. These grant monies come from the government, non-governmental organizations, and private institutions. The grant amount ranges from \$5,000 up to some in the six figures. Best of all, absolutely none of them requires a pay back.

However, the myth of "free money" intended for starting or expanding a small business needs to be dispelled.

Most funding institutions do not provide grants or "free money" for starting or developing a business. The Small Business Administration, Bank of America Foundation, and other grant funding sources do not give capital to start a day care or clothing design business, etc.. Nor do they provide grants to individuals who will use the proceeds to start their own "for profit" small business.

Rather, funding organizations generally target their assistance towards specific groups, types of organizations or activities. The grants provided by SBA are normally given to nonprofits or educational institutions. The Bank of America Foundation considers charitable requests from nonprofit organizations in geographic areas where the company has a business presence. These funding institutions provide funds mostly in a "project" context, consistent with their organization's goals and objectives.

There are a few grant sources that provide money directly to individuals. However, the use of the grant proceeds must be consistent with the objectives of the funding institution. Since most grants are project-based, many funding organizations require that the applicant provide counterpart funding. Grants may cover only a fraction of the project cost; very rarely do grants cover 100% of the total cost.

Take for example the Indian Grant Program given by the Bureau of Indian Affairs. This program gives up to \$100,000 to American Indian individuals. However, the grant stipulates that the funds must be used for "development of profit-oriented businesses that will have positive economic impact on Indian Reservation." Furthermore, the grant must be no more than 25 percent of project costs - meaning that the individual must provide 75 percent counterpart money for the project.

Resources on Grants

Entrepreneurs and would-be business owners seeking grant funding for a project can check out the following books and web sites in the US and other countries. Note that some of the sites are free, while others require subscription.

Books

["The Complete Guide To Getting A Grant: How to Turn Your Ideas into Dollars"](#) by Laurie Blum

["Free money and Help for Women Entrepreneurs"](#) by Mathew Lesko

["Free money for Small Businesses and Entrepreneurs"](#) by Laurie Blum

[Winning Grants Step by Step: Support Centers of America's Complete Workbook for Planning, Developing, and Writing Successful Proposals](#) by Mim Carlson

[Free Money to Change Your Life](#) by Matthew, Lesko, et al

["Free money from the federal government for small businesses and entrepreneurs"](#) by Laurie Blum

Databases

Catalog of Federal Domestic Assistance <http://www.cfda.gov>

An easy-to-use database of all grants and assistance provided by the United States federal government. You can search by functional area, by agency, by keywords, etc. Use of the site is free.

Grants Canada <http://www.grantscanada.com/>

A paid database service that lists programs and contact information on federal, provincial and regional assistance programs in Canada. Their online database lists hundreds of programs offering financial assistance for Canadian businesses and individuals including grants, low-interest loans, technical assistance and more. Access to the database requires an annual subscription payment of \$99 (Canadian dollars).

J4B <http://www.j4b.co.uk>

A free repository of information businesses in the United Kingdom seeking grants, soft loans, financial assistance, and help-in-kind. The database contains loans and grants for business start-up, research and development, export and trading, training and education, among others. Access of the database is free, but registration is required (and you must have a UK post code).

Links

U.S. Small Business Administration <http://www.sba.gov/expanding/grants.html>

This site is a listing of grant programs supported by the SBA. Note that SBA does not offer grants to business starts-ups; rather they give grants to non-governmental organizations, intermediary lending institutions, and state and local governments. Use this list to check out some of the programs that SBA supports and find one that you may qualify.

CanadaOne: Grants and Loans for Young Entrepreneurs in Canada

http://www.canadaone.com/magazine/loan_programs.html

This site lists the available grants for young entrepreneurs in the Canadian provinces/regions of Alberta, Ontario, Quebec, New Brunswick, Yukon, Atlantic Canada, and Western Canada. It also includes a list of national programs for young entrepreneurs.

Looking for funds to finance a small business is a difficult process; with the process made more confusing by the abundance of myths and scams in searching for free money.

What is a grant?

A grant is a form of assistance, usually financial in nature, the benefit of which is non-repayable. It is given by one organization to another to encourage it to undertake or continue activities that it would not (or could not) otherwise do without that support. Alternatively, a grant may be used to persuade the organization to refrain from certain activities.

Grants can be distinguished from other forms of finance available to individuals or organizations by the fact that the grantor's decision to support an organization is made without the need for direct commercial gain.

Over recent years there has also been a trend to see grants being offered to encourage public – private sector co-operation rather than offering public support to encourage companies to undertake projects they might not otherwise do. Increasingly, central and state government support is provided to encourage local authorities to work with the private sector to release properties that would otherwise remain derelict, empty or under-utilized. In so doing regeneration in areas of social, economic and other need will be accomplished.

The not for profit sector in particular has had to consider funding how to obtain funding, requiring it to be more businesslike in its approach. Charity funders are unlikely to support any scheme that has not been thought through or could not be continued once their initial support ceases.

Increasingly, the lines of division between the profit and the not for profit sectors are becoming blurred - sports, arts, medical care, education are but four examples where requests for help could be directed to government, charitable trusts or commercial sponsors.

Obtaining grants

One often reads about hundreds of millions of grant money available - all but for the asking. Whilst large sums of money may be available the notion that it is available to you, your business or your charity by simply asking for some help is wildly inaccurate. Grants, where available, are available for a reason. At the outset, it should be remembered that grants are designed to help specific people/organizations, with defined projects in specific circumstances for specific purposes. They are rarely going to meet even fifty per cent of project costs, meaning you have to find other funds, usually from your own savings or your company reserves. To win at obtaining grants you must be eligible to do so.

Before you start thinking about grants you need to be clear what the grant will be used for. You do not get grants simply because you start a business. Most schemes are 'discretionary' in that your success or otherwise in getting a grant is dependant upon decisions made by the purse holders of the grant scheme. Grants are given for a reason and that reason, quite understandably, has to be a good one.

One of the best is that the grant will enable you to proceed with a new or better project. In itself this is insufficient, rules relating to "additionality" (need), project viability and management capability will all be considered by a grantor. In most grant schemes you are required to PROVE that you need the grant.

That means you will be required to provide a Business Plan that shows what your Business ideas are, what your intended market is, how you will reach your customers, what income will be generated and so on. You may also have to demonstrate that you have tried to source funding from other providers but can't because of specific reasons i.e. lack of security.

Terminology too can be important, a cleaning company is unlikely to get a grant, a company that is a specialist cleaner of limpets and barnacles from ocean liners could be successful.

Often grants are directed at particular type of project. One seeking to help with urban regeneration is unlikely to be of use for a medical research project. Location is also vital. Grant support available in a mining area would not be available at a seaside resort or even in a neighbouring borough.

Some business activities are generally excluded from grant funding - particularly those that might be described as 'displacement' activities - i.e. those activities that would simply divert income from one business to another. A simple example of this would be retail activity where the new business would divert custom from another local business.

Always check that you eligible for a grant before you start a project. Grants are rarely awarded retrospectively. If you have started a project you are likely to be deemed sensible enough to have done so because all the money you need was sourced at the outset. Where timing is vital, as it often is for property development projects, I often suggest that a grant, which may not be obtained anyway, should not be sought. It may delay the project and even cost the client money in sales that have been delayed. Always treat grants as a useful bonus that will help you with your project, not as a crutch upon which your project may stand or fall.

The range of grants

The range of grants available is large and constantly changing. It is important that you consider not so much grants available but grants of use. Sources from which one may seek information on grants include:

- Grant giving bodies
- Books, manuals and databases
- Professional organizations

Grant giving bodies

Many organizations, often grant giving bodies themselves, provide information on finance available. Often this information is free of charge and in many cases available over the Internet.

In almost all cases you should start with your local government office, town hall, state house or whatever serves your community. Always start locally and work upwards, not the other way around. Your local people will have detailed knowledge of assistance available in their area.

Planning departments, accountants, solicitors, lawyers, real estate brokers and local colleges and universities tend also to be grant aware.

Often, local bodies are charged with implementing grant schemes. Local bodies do not commit themselves to a specific form of assistance and the areas within which special forms of assistance are available also change. As a general rule, the larger the urban area, the more likely it is that its local authority will offer some form of assistance.

Nearly all local authorities, for example, can provide information on vacant sites and properties, on local businesses and on sources of financial support specific to their area, even if they do not provide any themselves.

Databases are generally to be avoided unless you know precisely what you want to do. Just because a grant may be available does not mean that it will be of any use to you, your business or your charity. Indeed, the biggest weakness of many databases is that they start with the premise of "What do you want?" rather than "What project are you looking to undertake?"

Unfortunately, we have yet to come across a grant database that bridges the wide range of help available in the profit and not for profit sectors. Some profess to do so but more often than not the rhetoric does not match the reality in either content or accuracy.

One of the other weakness of grant databases is that the non-professional will often need to spend a lot of time looking at what is potentially available rather than of direct help and use to their organization, in specific circumstances. Like all services they vary considerably in quality and in price, ranging from those that are free to those costing up to \$6,000 per annum. Unless you know what you know precisely what you want to do and how to use information constructively, you neither be successful in searching for grants or in obtaining them.

Regrettably, grant databases are often the province of the "grant cowboy." As many readers probably know, in theory, a local corner shop may be eligible for about 40 grants, in reality it might get one or two - and these are likely to be very small. The "grant cowboy", playing on half facts and client greed will promise the earth but deliver little - and all for an up-front fee.

With grant databases, it is vital to adhere to the following rule: DON'T EVER PAY FOR INITIAL INFORMATION BUT BE PREPARED TO PAY FOR INFORMATION THAT ACTUALLY LEADS YOU TO A SOURCE OF GRANT FUNDING.

Professional and trading organizations

There are many firms of professional business grant negotiators. Some are more specialized than others are. A number of business organizations such as the SBA, the Federation for Small Businesses, trade association and chambers of commerce offer advice to members on government and other grants. Some banks offer grant advice, but this is often limited to providing lists of grants or directing a customer to governmental advisory services. Although many accountants offer grant services, the quality of the services is variable. You should always vet any professional adviser for their background and expertise in this specialist area.

Winning grants

Obtaining a grant is not usually a difficult process. Grantors like to know that applicants are knowledgeable about their business and their project. They also like to know that their grant will make a difference to the quality and success of a project. Provided you meet eligibility criteria, funds are still available and that their rules are adhered to success is possible.

Developing a grant proposal

Preparation

A successful grant proposal is one that is well prepared, thoughtfully planned, and concisely packaged. The potential applicant should become familiar with all of the pertinent program criteria related to the program from which assistance is sought. Refer to the information contact person listed in the program description before developing a proposal to obtain information such as whether funding is available, when applicable deadlines occur, and the process used by the grantor agency for accepting applications. Applicants should remember that the basic requirements, application forms, information and procedures vary with the Federal agency making the grant award.

Developing Ideas for the Proposal

When developing an idea for a proposal it is important to determine if the idea has been considered in the applicant's locality or State. A careful check should be made with legislators and area government agencies and related public and private agencies, which may currently have grant awards or contracts to do similar work. If a similar program already exists, the applicant may need to reconsider submitting the proposed project, particularly if duplication of effort is perceived. If significant differences or improvements in the proposed project's goals can be clearly established, it may be worthwhile to pursue Federal assistance.

Community Support

Community support for most proposals is essential. Once proposal summary is developed, look for individuals or groups representing academic, political, professional, and lay organizations, which may be willing to support the proposal in writing. The type and caliber of community support is critical in the initial and subsequent review phases. Numerous letters of support can be persuasive to a grantor agency. Do not overlook support from local government agencies and public officials. Letters of endorsement detailing exact areas of project sanction and commitment are often requested as part of a proposal to a Federal agency. Several months may be required to develop letters of endorsement since something of value (e.g., buildings, staff, services) is sometimes negotiated between the parties involved.

Many agencies require, in writing, affiliation agreements (a mutual agreement to share services between agencies) and building space commitments prior to either grant approval or award. A useful method of generating community support may be to hold meetings with the top decision makers in the community who would be concerned with the subject matter of the proposal. The forum for discussion may include a query into the merits of the proposal, development of a contract of support for the proposal, to generate data in support of the proposal, or development of a strategy to create proposal support from a large number of community groups.

Identification of a Funding Resource

A review of the Objectives and Uses and Use Restrictions sections of the program description can point out which programs might provide funding for an idea. Do not overlook the related programs as potential resources. Both the applicant and the grantor agency should have the same interests, intentions, and needs if a proposal is to be considered an acceptable candidate for funding.

Once a potential grantor agency is identified, call the contact telephone number identified in Information Contacts and ask for a grant application kit. Later, get to know some of the grantor agency personnel. Ask for suggestions, criticisms, and advice about the proposed project. In many cases, the more agency personnel know about the proposal, the better the chance of support and of an eventual favorable decision. Sometimes it is useful to send the proposal summary to a specific agency official in a separate cover letter, and ask for review and comment at the earliest possible convenience. Always check with the Federal agency to determine its preference if this approach is under consideration. If the review is unfavorable and differences cannot be resolved, ask the examining agency (official) to suggest another department or agency, which may be interested in the proposal. A personal visit to the agency's regional office or headquarters is also important. A visit not only establishes face-to-face contact, but also may bring out some essential details about the proposal or help secure literature and references from the agency's library.

Federal agencies are required to report funding information as funds are approved, increased or decreased among projects within a given State depending on the type of required reporting. Also, consider reviewing the Federal Budget for the current and budget fiscal years to determine proposed dollar amounts for particular budget functions.

The applicant should carefully study the eligibility requirements for each Federal program under consideration (see the Applicant Eligibility section of the Catalog program description). The applicant may learn that he or she is required to provide services otherwise unintended such as a service to particular client groups, or involvement of specific institutions. It may necessitate the modification of the original concept in order for the project to be eligible for funding. Questions about eligibility should be discussed with the appropriate program officer.

Deadlines for submitting applications are often not negotiable. They are usually associated with strict timetables for agency review. Some programs have more than one application deadline during the fiscal year. Applicants should plan proposal development around the established deadlines.

Getting Organized to Write the Proposal

Throughout the proposal writing stage keep a notebook handy to write down ideas. Periodically, try to connect ideas by reviewing the notebook. Never throw away written ideas during the grant writing stage. Maintain a file labeled "Ideas" or by some other convenient title and review the ideas from time to time. The file should be easily accessible. The gathering of documents such as articles of incorporation, tax exemption certificates, and bylaws should be completed, if possible, before the writing begins.

You will have to complete a business plan, the length of which is unimportant, as long as it clearly sets out why you believe you need the grant and the reasons that they should give it to you.

Review & Criticism

At some point, perhaps after the first or second draft is completed, seek out a neutral third party to review the proposal working draft for continuity, clarity and reasoning. Ask for constructive criticism at this point, rather than wait for the Federal grantor agency to volunteer this information during the review cycle. For example, has the writer made unsupported assumptions or used jargon or excessive language in the proposal?

Signature

Most proposals are made to institutions rather than individuals. Often signatures of chief administrative officials are required. Check to make sure they are included in the proposal where appropriate.

Neatness

Proposals should be typed, collated, copied, and packaged correctly and neatly (according to agency instructions, if any). Each package should be inspected to ensure uniformity from cover to cover. Binding may require either clamps or hard covers. Check with the Federal agency to determine its preference. A neat, organized, and attractive proposal package can leave a positive impression with the reader about the proposal contents.

Mailing

A cover letter should always accompany a proposal. Make sure there is enough time for the proposals to reach their destinations. Otherwise, special arrangements may be necessary.

Always coordinate such arrangements with the Federal grantor agency project office (the agency which will ultimately have the responsibility for the project), the grant office (the agency which will coordinate the grant review), and the contract office (the agency responsible for disbursement and grant award notices), if necessary.

Writing your business grant proposal

Basic Components

The basic components to creating a solid proposal package that will enable your business to obtain a grant are

- **The business grant application letter**
- **Presenting your business**
- **Needs assessment**
- **Business objectives**
- **Business methods or design**
- **Business evaluation**
- **Future funding**
- **The business budget**

The business grant application letter

The Grant Application Letter outlines the proposed business and should appear at the beginning of the proposal. It could be in the form of a cover letter or a separate page, but should definitely be brief – no longer than two or three paragraphs.

The summary would be most useful if it were prepared after the proposal has been developed in order to encompass all the key summary points necessary to communicate the objectives of the business.

It is this document that becomes the cornerstone of your proposal, and the initial impression it gives will be critical to the success of your venture. In many cases, the summary will be the first part of the proposal package seen by agency officials and very possibly could be the only part of the package that is carefully reviewed before the decision is made to consider the business any further.

The applicant must select a fundable business, which can be supported in view of the local need.

Alternatives, in the absence of Federal support, should be pointed out. The influence of the grant both during and after the business period should be explained. The consequences of the business as a result of funding should be highlighted.

Presenting your business

The applicant should gather data about its business from all available sources. Most proposals require a description of an applicant's business to describe its past and present operations. Some features to consider are:

- A brief biography of board members and key staff members, not a cv.
- The business's goals, philosophy, track record with other grantors, and any success stories.
- The data should be relevant to the goals of the Federal grantor agency and should establish the applicant's credibility.

Needs assessment

The needs assessment is a key element of a proposal that makes a clear, concise, and well-supported statement of the problem to be addressed. The best way to collect information about the problem is to conduct and document both a formal and informal needs assessment for a program in the target or service area. The information provided should be both factual and directly related to the problem addressed by the proposal. Areas to document are:

- The purpose for developing the proposal.
- The beneficiaries -- who are they and how will they benefit.
- The social and economic costs to be affected.
- The nature of the problem (provide as much hard evidence as possible).
- How the applicant organization came to realize the problem exists, and what is currently being done about the problem.
- The remaining alternatives available when funding has been exhausted. Explain what will happen to the business and the impending implications.
- Most importantly, the specific manner through which problems might be solved.
Review the resources needed, considering how they will be used and to what end.

Any local, regional, or State government planning office, or local university offering course work in planning and evaluation techniques should be able to provide excellent background references.

Types of data that may be collected include: historical, geographic, quantitative, factual, statistical, and philosophical information, as well as studies completed by colleges, and literature searches from public or university libraries. Local colleges or universities which have a department or section related to the proposal topic may help determine if there is interest in developing a student or faculty business to conduct a needs assessment.

It may be helpful to include examples of the findings for highlighting in the proposal.

Business objectives

Program objectives refer to specific activities in a proposal. It is necessary to identify all objectives related to the goals to be reached, and the methods to be employed to achieve the stated objectives. Consider quantities or things measurable and refer to a problem statement and the outcome of proposed activities when developing a well-stated objective. The figures used should be verifiable. Remember, if the proposal is funded, the stated objectives will probably be used to evaluate program progress, so be realistic. There is literature available to help identify and write program objectives.

Business methods or design

The program design refers to how the business is expected to work and solve the stated problem.

Sketch out the following:

1. The activities to occur along with the related resources and staff needed to operate the business.
2. A flow chart of the organizational features of the business. Describe how the parts interrelate, where personnel will be needed, and what they are expected to do. Identify the kinds of facilities, transportation, and support services required.
3. Explain what will be achieved; i.e., plan for measurable results. business staff may be required to produce evidence of program performance through an examination of stated objectives during either a site visit by the Federal grantor agency and or grant reviews, which may involve peer review committees.

It may be useful to devise a diagram of the program design. For example, draw a three-column block. Each column is headed by one of the parts (1,2 & 3 above), and on the left (next to the first column) specific program features should be identified (i.e., implementation, staffing, procurement, and systems development).

In the grid, specify something about the program design, for example, assume the first column is labeled inputs and the first row is labeled staff. On the grid one might specify under inputs five nurses to operate a child care unit. The throughput might be to maintain charts, counsel the children, and set up a daily routine; outputs might be to discharge 25 healthy children per week.

This type of procedure will help to conceptualize both the scope and detail of the business.

Wherever possible, justify in the narrative the course of action taken. The most economical method should be used that does not compromise or sacrifice business quality. The financial expenses associated with performance of the business will later become points of negotiation with the Federal program staff. If everything is not carefully justified in writing in the proposal, after negotiation with the Federal grantor agencies, the approved business may resemble less of the original concept.

Carefully consider the pressures of the proposed implementation, that is, the time and money needed to acquire each part of the plan. A Program Evaluation and Review Technique (PERT) chart could be useful and supportive in justifying some proposals. Highlight the innovative features of the proposal, which could be considered distinct from other proposals under consideration.

Whenever possible, use appendices to provide details, supplementary data, references, and information requiring in-depth analysis. These types of data, although supportive of the proposal,

if included in the body of the design, could detract from its readability. Appendices provide the proposal reader with immediate access to details if and when clarification of an idea, sequence or conclusion is required. Time tables, work plans, schedules, activities, methodologies, legal papers, personal vitae, letters of support, and endorsements are examples of appendices.

Business evaluation

The evaluation component is two-fold: (1) product evaluation; and (2) process evaluation.

Product evaluation addresses results that can be attributed to the business, as well as the extent to which the business has satisfied its desired objectives. Process evaluation addresses how the business was conducted, in terms of consistency with the stated plan of action and the effectiveness of the various activities within the plan.

Most Federal agencies now require some form of program evaluation among grantees. The requirements of the proposed business should be explored carefully. Evaluations may be conducted by an internal staff member, an evaluation firm or both. The applicant should state the amount of time needed to evaluate, how the feedback will be distributed among the proposed staff, and a schedule for review and comment for this type of communication. Evaluation designs may start at the beginning, middle or end of a business, but the applicant should specify a start-up time. It is practical to submit an evaluation design at the start of a business for two reasons:

1. Convincing evaluations require the collection of appropriate data before and during program operations; and,
2. If the evaluation design cannot be prepared at the outset then a critical review of the program design may be advisable. Even if the evaluation design has to be revised as the business progresses, it is much easier and cheaper to modify a good design. If the problem is not well defined and carefully analyzed for cause and effect relationships then a good evaluation design may be difficult to achieve.

Sometimes a pilot study is needed to begin the identification of facts and relationships. Often a thorough literature search may be sufficient.

Evaluation requires both coordination and agreement among program decision makers (if known). Above all, the Federal grantor agency's requirements should be highlighted in the evaluation design. Also, Federal grantor agencies may require specific evaluation techniques such as designated data formats (an existing information collection system) or they may offer financial inducements for voluntary participation in a national evaluation study. The applicant should ask specifically about these points. Also, consult the Criteria For Selecting Proposals section of the Catalog program description to determine the exact evaluation methods to be required for the program if funded.

Future funding

Describe a plan for continuation beyond the grant period, and/or the availability of other resources necessary to implement the grant. Discuss maintenance and future program funding if program is for construction activity. Account for other needed expenditures if program includes purchase of equipment.

The business budget

Funding levels in Federal assistance programs change yearly. It is useful to review the appropriations over the past several years to try to business future funding levels (see Financial Information section of the Catalog program description).

However, it is safer to never anticipate that the income from the grant will be the sole support for the business. This consideration should be given to the overall budget requirements, and in particular, to budget line items most subject to inflationary pressures. Restraint is important in determining inflationary cost businesses (avoid padding budget line items), but attempt to anticipate possible future increases.

Some vulnerable budget areas are: utilities, rental of buildings and equipment, salary increases, food, telephones, insurance, and transportation. Budget adjustments are sometimes made after the grant award, but this can be a lengthy process. Be certain that implementation, continuation and phase-down costs can be met. Consider costs associated with leases, evaluation systems, hard/soft match requirements, audits, development, implementation and maintenance of information and accounting systems, and other long-term financial commitments.

A well-prepared budget justifies all expenses and is consistent with the proposal narrative. Some areas in need of an evaluation for consistency are: (1) the salaries in the proposal in relation to those of the applicant organization should be similar; (2) if new staff persons are being hired, additional space and equipment should be considered, as necessary; (3) if the budget calls for an equipment purchase, it should be the type allowed by the grantor agency; (4) if additional space is rented, the increase in insurance should be supported; (5) if an indirect cost rate applies to the proposal, the division between direct and indirect costs should not be in conflict, and the aggregate budget totals should refer directly to the approved formula; and (6) if matching costs are required, the contributions to the matching fund should be taken out of the budget unless otherwise specified in the application instructions.

Is it worth it?

Like all planning, applying for a grant can seem daunting, until you start.

Once you start you will begin to flow. Start by finding the questions you need to answer and answer them; no jargon and no huge essays, just answer them.

Is it worth it?

How much would you pay for free money?