Grants Guide for Small Businesses

What is a business grant?

A business grant is a sum of money awarded to a business by a donor, such as the federal or state government, foundations, charities, or corporations. Grants are typically given to support specific goals linked to public benefit, such as scientific research, entrepreneurship, providing public services, or stimulating the economy. While grants do not need to be repaid, they often have strict eligibility criteria, compliance obligations, and reporting requirements. For example, for federal and state grants, information about entities and organizations receiving funds be disclosed to the public.

How do they work?

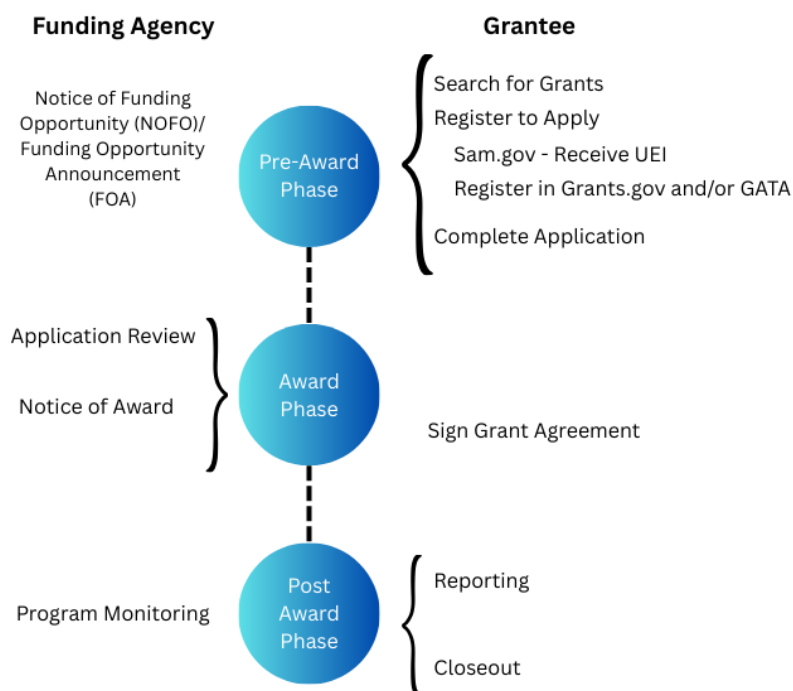The grant lifecycle has three phases:

1. Pre-Award Phase
2. Award Phase
3. Post-Award Phase

Pre-Award Phase

During the pre-award phase, the grant-making agency plans and develops a funding program aligned with its mission, administrative priorities, and when applicable, its congressional initiatives. It then formally announces the funding opportunity, publicizing it to potential applicants and inviting proposals that address the program's objectives.

Funding Agency

Notice of Funding Opportunity (NOFO)/ Funding Opportunity Announcement (FOA)

Pre-Award Phase

Grantee

Search for Grants
Register to Apply
Sam.gov - Receive UEI
Register in Grants.gov and/or GATA
Complete Application

Application Review

Notice of Award

Award Phase

Sign Grant Agreement

Program Monitoring

Post Award Phase

Reporting

Closeout

A formal announcement is called a Funding Opportunity Announcement (FOA), Notice of Funding Opportunity (NOFO), or Request for Applications (RFA) and includes all the pertinent information and requirements for an applicant to assess their eligibility, competency, and interest in the funding opportunity.

During this phase, small business owners and entrepreneurs search for grants that align with their mission and for which they meet the eligibility criteria. Once they identify a suitable grant, they begin the registration and application process.

Registering to Apply

If applying for grants from a government entity, certain registrations are required.

	State Grants	*Federal Grants*	*Grants from Private Organizations*
SAM.gov	X	X	Not required
GATA	X		Not required
Grants.gov		X	Not required

- **SAM.gov**
  - If applying for grants from a government entity, you must register in the [System for Award Management (SAM)](#).
  - [SAM Entity Registration Checklist](#)
  - [IL DCEO - Registering in SAM (Recorded Webinar)](#)
  - You will receive a **Unique Entity ID (UEI).**
    - *Note: There is <u>no charge</u> to get a Unique Entity ID, register your entity, and maintain your entity registration at SAM.gov.*
  - Allow at least **10 business days** after you submit your registration for it to become active in SAM.gov.

- **Grant Accountability and Transparency Act (GATA)**
  - If applying for **state grants**, you will need to register in [GATA](#) after completing the SAM registration.
  - [Steps to Applying for State Grants: Explore The Grant Accountability and Transparency Act (GATA) - (20 Min Video)](#)
  - [GATA Learning Management System (LMS)](#) - This training series provides guidance and support to navigate the administrative requirements for grants.
  - How long?

- **Grants.gov**
  - If applying for **federal grants**, you will need to register in [Grants.gov](#) after completing the SAM registration.
  - **[How to Register for Grants.gov (video)](#)**

Completing the Application

Most grants require a grant proposal or application. This process can be detailed and time-consuming, with strict eligibility criteria and formatting requirements. Carefully review the funding opportunity and follow all guidelines regarding content, length, and format.

Common Proposal Sections include:

- Abstract or Project Summary

- - Vary in length, but generally no more than one page. Think of this as an elevator pitch. You want to hook the reader – or they may not read the rest of the proposal.
  - Project Narrative or Work Plan
    - Make it easy for the reviewer to read – divide it up into sections with headers. Make sure the narrative aligns with the budget.
  - Budget and Budget Justification
    - Don't hesitate to ask for the funding you need, but read the funding announcement carefully to avoid including unallowable costs. Request enough to fully complete your project—if you're awarded less than needed, you're still legally obligated to deliver the full scope of work.
  - Resume
    - Demonstrates your qualifications to carry out the project. Tailor it to each submission, highlighting relevant skills and experience. If you lack expertise in any area, partner with a consultant or collaborator to fill the gap.

Tips for Writing a Proposal

- When writing your proposal maintain a professional tone, use third-person language
- Prioritize answering the required questions clearly and directly
- Avoid jargon and technical terms
- Validate with facts and data
- Tailor your resume to each submission
- *Read the funding opportunity and follow guidelines and requirements!*

Grant Writing Resources:

- IL DCEO - Writing a Grant Application (Recorded Webinar)
- SCORE.org - Grant Writing 101: How to Create a Grant Proposal for Your Business (Recorded Webinar)
- IL DCEO - Completing a Budget Application (Recorded Webinar)
- Business Grant Proposal Template
- Sample Proposals - University of Chicago Research Administration
- Grant Narrative Tips
- NCOA – Tips for Developing a Compelling Budget Justification

Grant Writers:

If you're looking to hire a grant writer, here are a few options:

- American Grant Writers' Association
- Professional Grant Writers
- Grant Professionals Association

Application Review Process

The funding agency reviews the applications for compliance and determines which applicants will be awarded funding.

Award Phase

When the review process has been completed, the funding agency notifies applicants whether they have been awarded a grant. The agency works with the grantee to formalize the grant agreement that outlines terms, conditions, and expectations. Once this is complete, funds are disbursed.

Post Award Phase

The post-award phase begins once funding is received and continues through project completion and closeout. During this phase, the recipient is responsible for carrying out the grant activities as outlined in the agreement, spending funds appropriately, and submitting regular progress and financial reports. The awarding agency provides guidance and oversight to ensure compliance with all terms and conditions. Key responsibilities include implementing the project, tracking progress, reporting any changes, and completing all required documentation for closeout. This phase concludes once all work is done, reports are submitted, and the funding agency confirms all requirements have been met.

Locating Funding

Four Types of Grants

There are four main types of grant funding. Understanding these structures can guide and strengthen your grant search.

- *Competitive Funding* - a process of proposal selection based on the evaluation of a reviewer or team of reviewers. Funding is based on the merits of the application, and recipients are not pre-determined. Also known as discretionary funding.
- *Formula Funding* - formula grants are given to pre-determined recipients. Non-competitive awards are usually allocated to eligible entities according to population and/or other census criteria, and all applicants who meet the minimum requirements of the application process are entitled to receive money.
    - Examples include Nutrition Grants through the Dept. of Health and Human Services to schools and communities that provide free or reduced-price meals, state Dept. of Education which provides Entitlement Funds for LEA (title I/II) from the US Dept of Ed. Look at poverty rate, food deserts. **County doesn't always advertise, you have to ask.**
- *Continuation* - offer current award recipients the option of renewing grants for the following year.
- *Pass-through* - funds given by the federal government to the states for further distribution to local governments. Under this funding structure, states may disburse federal funds to eligible local jurisdictions through formula allocations or open competitions.

Funding Sources

Federal

- Grants.gov
- https://www.challenge.gov/
- Prime Grants https://www.sba.gov/document/information-notice--program-investors-microentrepreneurs-prime
- US Department of Agriculture (USDA)
    - Business Programs | Rural Development (usda.gov)
    - Resources for Rural Entrepreneurs: A Guide to Planning, Adapting, and Growing Your Business (usda.gov)
- Economic Development Administration (EDA)
- Department of Defense (DOD) www.defense.gov
    - Electronic Biomedical Research Application Portal
- Environmental Protection Agency (EPA)
- US Department of Education (ED)
- National Science Foundation (NSF)
- National Endowment for the Humanities (NEH)

- National Institutes of Health (NIH)
- Department of Energy (DOE)
- Department of Transportation (DOT)

State Agencies

o Illinois Catalog of State Financial Assistance
o illinois.grantwatch.com/
o IL Department of Commerce and Economic Opportunity (DCEO)
o Illinois Department of Transportation (IDOT)
o Illinois Department of Agriculture
o Illinois Department of Human Services
o Illinois Arts Council
o Illinois EPA Office of Energy
o Small Business Advocacy Council (SBAC)
o Illinois Manufacturing Excellence Center (IMEC)

Organizations/Associations/Foundations

o Main Street America
o Spencer Foundation
o The Heart Foundation
o Bill & Melinda Gates Foundation
o U.S. Chamber of Commerce America's Top Small Business Awards
o Verizon Small Business Digital Ready
o The FedEx Small Business Grants Program
o Venmo Small Business Grant

More options for finding grants include HelloAlice, which can help with finding grant opportunities and business loans, and OpenGrants, a data set of public and private grant funding opportunities and other resources. Grantgopher.com

Tourism

Tourism Cares

Agriculture

Sustainable Agriculture Research and Education
Farmers Market Promotion Program
Value-Added Producer Grant
Fund-A-Farmer Grant
The FruitGuys Community Fund
Sky High Farm Grants
Brighter Future Fund

Science and Technology

America's Seed Fund

For Women-Owned

- Amber Grant
- IFundWomen
- Atomic Grants
- Tory Burch
- Cartier
- National Kitty Fund
- Ladies Who Launch
- Women Founders Network
- High Five
- Female Founder World
- AT&T She's Connected
- PublishHer Program for Women of Color Business Owners
- Chicago Foundation for Women
- Ms. Foundation

Opportunities for Veterans

- Warrior Rising
- Hiring Our Heroes
- Military Entrepreneur Challenge
- Feed The Soul Foundation
- Farmer Veteran Fellowship Fund
- Veteran Shark Tank
- Stephen L. Tadlock Veteran Business Grant

Opportunities for Native Americans

- First Nations
- Merchant Maverick

Opportunities for Minority-Owned Small Businesses

- HerRise
- Black Girl Ventures
- Founders First
- Feed The Soul Foundation
- Corporate Counsel Women of Color
- The Pepper 5K Startup Grant for Black Women
- JP Morgan Chase
- The Lee Initiative

- [The National Black MBA Association INC](#)
- [Transform Grant](#)
- [Famous Amos Ingredients for Success](#)
- [Siete Juntos Fund](#)
- [The National Black Business Pitch](#)
- [Freed Fellowship](#)