



# Introduction to Federal Grants

## For The 1<sup>st</sup> Congressional District Of Massachusetts

Last Updated July 2010



**Congressman John W. Olver**

### **Contents of this Guide**

- Introduction to Federal Grants
- Types of Federal Assistance
- Catalog of Federal Domestic Assistance (CFDA) and Grants.gov
- Related Federal Sources
- Local, State and Private Funding Opportunities
- Congressional Letters of Support for Grant Applications

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## Introduction to Federal Grants

Many state and local governments, nonprofits, community action organizations, small businesses, and individuals approach my office for assistance in identifying grants. Though many hope for federal funding, such assistance is unfortunately very limited. Gathering federal program information and contacting federal agencies early in the process, before submitting formal applications, is *strongly* recommended. Grant seekers should also investigate state distributed federal funds and private or corporate foundation funding.

Once you have obtained information regarding a federal grant, you may have questions while developing your proposal or application. You should contact the responsible federal agency directly. Contact information is usually listed in the federal agency's grant announcement in the Federal Register and elsewhere.

Economic development specialists are available in each of my district offices to assist you with letters of support and advocate on your behalf with federal agencies and departments. However, my staff will not perform grant searches for your organization nor are they available to write grants for your organization.

## Eligibility for Grants and Federal Assistance

Federal grants are not always the best type of assistance and not everyone is eligible for a grant. For more information about eligibility for federal grants, please visit <http://www.grants.gov/aboutgrants/eligibility.jsp> and <http://www.grants.gov/tutorials/gdgeligibility/Animated2009/index.htm>.

If you are not eligible for a federal grant, you may be able to get a different type of assistance. Please see below for brief descriptions of the most commonly requested types of federal aid.

### Types of Federal Assistance

#### *Grants*

Grants are generally considered desirable by applicants since they are an outright award of funds.

- **Formula Grants:** allocations of money to states or their subdivisions for activities of a continuing nature not confined to a specific project. Includes block grants to states and local governments.
- **Project Grants:** funding, for fixed or known periods, of specific projects or the delivery of specific services or products, including fellowships, scholarships, research grants, training grants, traineeships, experimental and demonstration grants, evaluation grants, planning grants, technical assistance grants, survey grants, construction grants, and unsolicited contractual agreements. Can also be referred to as discretionary or categorical grants or funding.
- **Direct Payments for Specified Use:** federal financial assistance provided directly to individuals, private firms, and other private institutions to encourage or subsidize a particular activity.

- **Direct Payments with Unrestricted Use:** federal financial assistance provided directly to beneficiaries who satisfy federal eligibility requirements with no restrictions as to how the money is spent.

#### *Loans*

Because loans must be repaid, they are often viewed by applicants as less desirable than grants. However, with the reduction of federal funds available for grants and the increasing level of competition for such funds, loans are often the only form of assistance available.

- **Direct Loans:** lending of federal funds for a specific period of time, with a reasonable expectation of repayment; may or may not require the payment of interest.
- **Guaranteed/Insured Loans:** programs in which the federal government makes an arrangement to indemnify a lender against part or all of any defaults by those responsible for repayment of loans.

## CFDA and Grants.gov

### *The Two Most Important Search Engines for Federal Grants*

The complete listing of federal grants is available at the *Catalog of Federal Domestic Assistance* (CFDA) which is fully searchable on the Web at <http://www.cfda.gov>. The CFDA describes approximately 1,500 federal domestic assistance programs including financial and nonfinancial assistance programs administered by the departments and agencies of the federal government. The CFDA defines objectives of individual grants and programs, eligibility requirements, the application and award process, examples of funded projects, and information contacts.

The CFDA lists all federal grants that are funded and not funded. Funding for grants and programs can change every year according to the annual budget appropriations. To find out which grants are currently being funded under a federal program, search *Grants.gov* on the Web at <http://www.grants.gov>. Then, look at the CFDA if more in-depth information is needed. Grants.gov can be searched by keyword, category, and/or CFDA number. The site also allows grant seekers to browse grant opportunities, sign up for daily e-mail grant notification, and apply for federal grants through a uniform application process.

## Additional Websites That May Be Useful

Although Grants.gov and the CFDA should be your primary references when seeking federal grant opportunities, there are also other supportive web-pages you can visit to learn more about federal grant opportunities. Below are some examples. If you determine that most of the grants in which you are interested fall within a specific issue area or within an agency, then it can be helpful to explore the agency's webpage.

**Federal Register** <http://www.gpoaccess.gov/fr/index.html>

Search for updates and notices affecting federal assistance programs.

**USAgov for Nonprofits** <http://www.usagov.gov/Business/Nonprofit.shtml#grants>

Portal for nonprofit organizations to search for information about federal grants, loans, and other assistance.

**Homeland Security Grants and Training** <http://www.dhs.gov/xopnbiz/grants/>

This site provides information on homeland security and public safety grant opportunities offered by agencies across the federal government. It is intended to simplify access to these grants by placing information in a single, easily accessible site. Critical state and local missions supported through these grants include the preparedness of first responders and citizens, public health, infrastructure security, and other public safety activities.

**American Recovery and Reinvestment Act** <http://www.recovery.gov>

The American Recovery and Reinvestment Act (ARRA , [P.L. 111-5](#)) provided \$787 billion through a vast array of discretionary and mandatory spending and tax provisions. Additional funding is provided for existing and some new programs. Funds are distributed to states, localities, other entities and individuals through a combination of formula and competitive grants and direct assistance. The following websites provide program, agency, and state information:

- **Recovery.gov**, <http://www.recovery.gov>  
The Administration's website covering implementation and oversight of the stimulus. It currently includes overview information about the legislation, a timeline for implementation, a frequently asked questions page, and an announcement page that will be regularly updated.
- **Agency Recovery Sites**, <http://www.recovery.gov/?q=content/agencies>  
Links to information about federal agency and department programs.
- **State Recovery Sites**, <http://www.recovery.gov/?q=content/state-local-tribal-and-territorial-resources>  
Covers state projects and state contacts for grants programs.
- **United States Conference of Mayors**, <http://www.usmayors.org/recovery/>  
*State Breakdown of ARRA*, <http://www.usmayors.org/recovery/documents/report-stateprog.pdf>  
*Key Program Summaries*, <http://www.usmayors.org/recovery/documents/program-summaries.xlsx>.

## Funding at the State or Local Level

State government departments and agencies also fund projects and administer federal block grants. For information on federal block grants in Massachusetts, search the Massachusetts State Government gateway, at <http://www.mass.gov>. Enter “grants” in the search box or go to the individual departments and agencies.

**Federal Agency Regional and Local Offices** (*Catalog Appendix IV*; by agency and by state) <https://www.cfda.gov/?s=appendix&mode=list&tab=list&tabmode=list> Much of the federal grant budget moves to the states through formula and block grant. Consequently, state, regional,

and local federal offices often handle grant applications and funds disbursement. Each federal agency has its own procedures and potential grant applicants should call the department or agency in question before applying for funding to obtain the most up-to-date information.

## Researching Private Funding Sources

Although there many foundation and corporate grants available, competition for these funds is great, and, just as is the case in searching for federal support, grant seekers enhance their chances for success by doing preliminary research to find grant makers whose priorities and goals match their own. By searching foundation websites, grant seekers can find guidelines, copies of annual reports and tax returns to learn whether their proposals match a foundation's areas of interest and geographic guidelines; whether the proposal is within its budgetary constraints; and whether it normally funds the type of project being considered. The selected private sources listed below are intended to help serve as representative of the variety of resources available for private funding. This listing is not intended to be comprehensive, and should be viewed only as a starting point for identifying private (non-governmental) sources of funding.

**The Foundation Center** <http://www.foundationcenter.org/>

This site is a gateway to information about private funding sources (including national, state, community, and corporate foundations), the grantseeking process, guidelines on writing a grant proposal, addresses of state libraries with grants reference collections, and links to other useful Internet websites. The Center maintains a comprehensive database of foundations, produces grant guides, conducts research and publishes studies in the field, and offers a variety of training and educational seminars.

**Fundsnet** <http://www.fundsnet.com>

Fundsnet is an easy to use search engine to locate private organizations and corporations that fund specific issue areas. It also has many helpful tools for nonprofit organizations, grantwriters and consultants seeking information on funding sources for their projects.

**The Grantsmanship Center (TGCI)** <http://www.tgci.com/>

In addition to useful links to government resources, this site includes information on community foundations and international funding. Community foundations are often particularly interested in local projects and maintain diverse grant programs. TGCI also offers publications, training and workshops in proposal writing, grantsmanship, and fundraising for nonprofit organizations and government. There is a fee for their services.

**Community Foundation of Western MA** [www.communityfoundation.org](http://www.communityfoundation.org)

Western MA foundation that provides guidance and distribution for nonprofit agency funds and competitive grants. Also provides assistance in location of potential donors.

**Community Foundation of North Central MA** [www.cfncm.org](http://www.cfncm.org)

North Central MA foundation that provides guidance and distribution for nonprofit agency funds and competitive grants.

**Associated Grant Makers** [www.agmconnect.org](http://www.agmconnect.org)

A searchable database of MA and New England foundations with a running list of requests for proposals arranged by date. This site also has features available for a fee: a technical assistance database which lists fund-raising consultants, a database of more than 30,000 MA nonprofits, and a list of fund-raising events sponsored by AGM. Subscription required.

*(Note: Website addresses occasionally change. If you have difficulty accessing any of these sites, feel free to call my office.)*

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## **Guidelines for Requesting a *Congressional Letter of Support***

When submitting a federal grant application, you may consider requesting a Congressional Letter of Support from my office. Although I do consider every request for a letter of support, it is not possible for me to provide letters of support in all cases.

Letters of support will be sent directly from my office to the head of the department or agency from which you are seeking a grant. Your organization will receive a copy of the support letter to submit with your application.

Finally, a letter of support from my office is not a guarantee of funding.

To request a letter of support for your application, please supply my office with the following:

1. A description of your organization,
2. The executive summary of your grant application,
3. A description of what the money will be used for,
4. A draft letter of support, and
5. The date the application was or will be submitted to the agency for review.

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