

SHOULD WE CONSIDER FEDERAL GRANTS?

Federal grants are a rich source of program funding for established nonprofits. Organizations demonstrating capable financial and organizational management are appealing as reliable partners for funding agencies. Further, organizations that convey a community need using data and run developed program models, and are monitored regularly for effectiveness can present a compelling case for funding through a federal grant application.

ESSENTIAL THINGS TO KNOW ABOUT FEDERAL GRANTS:

- These grants provide money for projects that benefit the community.
- Eligible entities include state and local governments, colleges and universities, research labs, law enforcement, and nonprofit organizations.
- Projects include support for schools, scientific research, and social services like shelters and community support.
- Federal grants are not loans. Therefore, awardees do not repay grants.
- Requirements include an application, the delivery of services, and reporting.
- There are three steps in setting federal grant policies:
 1. **Congress** sets aside money for federal agencies.
 2. **The Executive Office and the Office of Management and Budget (OMB)** ensure the laws are followed and manage the budget.
 3. **The federal agencies** receiving the money set policies and award grants with the money from Congress.
- There are four types of federal grants:
 1. **Competitive or discretionary grants** are awarded on the caliber of the application assessed according to an established scoring system.
 2. **Continuation grants** extend existing program funding that is scheduled to expire and may be competitive or non-competitive.
 3. **Formula grants** issue funding by following formulas based on criteria included in the legislation and policies. Formula grants are non-competitive.
 4. **Pass-through grants** are funds issued by a federal agency to a prime recipient that are transferred as subawards to other groups known as subrecipients. Subawards may be competitive or noncompetitive.

ANSWER THESE QUESTIONS TO DETERMINE IF YOUR ORGANIZATION IS READY TO CONSIDER A FEDERAL GRANT.

Financial and Organizational Management

YES

NO

Board-approved systems for record-keeping and transparency guide our financial operations with annual budgets and regular budget-to-actual comparisons that are also board-approved.

We have successfully managed public funding in the past by following our Grant Management Policy which includes internal controls such as procurement procedures, without compliance issues, corrective actions, or audit findings.

We have talked to a finance professional about our federal grant readiness including our ability to track restricted funds and track indirect costs that are not directly related to a single program.

Program Strengths and Implementation of Data

YES

NO

Our programs are distinguishable from other programs in the area and address a unique community need that we have documented with relevant data from credible and verifiable sources.

Our programs reach the population they are intended to serve and include specific and pertinent measurements that objectively demonstrate positive outcomes.

We have implemented routine monitoring and evaluation of our programs including the collection and analysis of data to demonstrate each program's effectiveness.

If you answered no to any of these questions, please check out the learning opportunities and resource guides at nevadagrantslab.org/capacity-building.