

13 Questions a Business Owner Should Ask Before Writing a Grant

After helping small businesses, hospitals, local governments, non-profits and manufacturers get over a BILLION dollars in federal grant money, I noticed a pattern developing: some people had been wasting their time.

They said things like "I sure wish I would've known that!" or "Why didn't someone tell me it was going to cost \$3,500 for a study to get this thing finished?"

By the time they came to our group of professionals to write a grant, too much toothpaste was already out of the tube. They were pulling their hair out and kicking the dog in frustration.

Our country needs the spirit of entrepreneurship now more than ever and I see good people wasting their time applying for a grant that simply isn't going to happen.

It's America - you can apply for a grant all you want. The question is do you truly have a shot at getting it?

That's why I put together these 13 questions. I see too many business owners get discouraged and spend valuable time chasing a "maybe" when they could be producing an "absolutely".

So here we go (in no particular order):

1. **Do you have the time to invest in writing the grant?** Grant writing takes time. Essentially you are making a statement or a proposal and you must back up that statement with third party facts. Go back to the days of your high school term paper. You are trying to make a point and must have footnotes for the quotes. Do you have the time to find all that information?
2. **Show WHO the money?** Most grants for businesses come through local governments or chambers of commerce etc. on your behalf. Do you have a relationship with them? Does their board understand the risk? My experience is most boards are willing to help a business but only if that board has bought in to you or your idea. Also keep in mind whatever grant the chamber (city, economic development district, etc.) applies for on your behalf they will own. So forget using grant proceeds for collateral. You'll likely sign a truck-load of paperwork keeping the chamber from any liability.
3. **Do you have the match?** There are very few 100% grants and most require a match of funds in the form of CASH. There used to be something called an "in-kind" match where you could count services or property with a certain dollar value as the match requirement. Most of the government grants don't allow that although in some cases it can be done. By "match" say you want \$100,000 to build a parking lot so people can park to buy your really nifty widgets. The city applies for the \$100,000 and there is a 50/50 match requirement. That means someone has to come up with \$50,000. Will the city do that? Are you going to provide it? Plan on having at least a 50/50 match with your part being cash.

4. **Why should I believe you?** Your business may need a new piece of equipment and this new equipment will add some jobs. In addition to creating the jobs you notice you'll get more points on your grant application if there has been consistent unemployment in your community. How are you going to prove the unemployment? What facts do you site? This is a first-cousin to Question 1.
5. **Do you have the money to pay for supporting documents or studies?** Attorneys, architects and engineers, Oh My! We've seen grant money go toward a non-profit's new building but before a dollar showed up there had to be architectural plans. And engineers had to make sure the water/sewer capacity was available. And the non-profit had to create another entity to actually own the building. Find out what up-front costs for professional fees must be spent BEFORE the grant application is made. Be sure you have the funds to pay for any services or documents. Sometimes you can get reimbursed for those out of pocket costs but "reimbursed" means you had to pay out first.
6. **Can you benchmark?** Governments want accountability for the money they spend. Are you prepared to measure what you did with the money? Say the grant gave you \$10,000 to buy some machinery and it was in turn to create jobs. Can you track how you did and why you were a good investment? How many jobs were created and when? What were the wages? Are they still employed? These are types of benchmarks you should expect to track.
7. **Do you have systems and internal controls in place?** Keeping up with every dollar spent is crucial. Comparable to the IRS showing up and wanting to see all your receipts PLUS the verification that you indeed hired those out-of-work people and not your 3rd cousin PLUS you paid them a wage you said you would. If you have the internal controls and systems in place to access that information you'll be ahead of the game.
8. **Do you think this money is an entitlement?** Guess what? The grant isn't an entitlement. And they don't have to give it to you just because you are a flag-waving American. Be prepared to say why it's worth investing in your idea/company as it's your money. Getting angry that you see all this government money going to waste while you're out here trying to earn a living isn't going to solve anything. Too often I see people believing they are entitled to "their fair share" and that mindset bubbles over into the application process.
9. **Can you convince the guy in the cubicle?** Most likely, some guy in a cubicle in Washington, DC is going to give your project approval. Think about the scene in *Gladiator* and everyone is looking at Caesar to see if they are getting the thumbs up or down. The cubicle guy doesn't know Ashland, Maine from Ashland, Mississippi from Ashland, Oregon so get in line with everyone else who wants the same grant as you. One key component to getting funded will be determining if you have written a narrative that convinces the cubicle guy he should move your project forward.
10. **Can you follow instructions?** It's a simple question but every little box has to be checked.

11. **Do you shoot the messenger?** Somewhere along the grant writing journey you'll ask yourself "why in the world are you people asking for this insane information?" Some of the information you have to supply seems silly but the government folks have to have it. In a galaxy far, far away somebody somewhere didn't like something and swore "we'll never do another application without that information in it!" and they changed the rules. And you have to supply the answer. So don't get mad at the guy in the cubicle because he probably thinks it's silly too, but the box still needs to be checked. (See Number 10)

12. **Will your business work without the grant money?** If these are the "do-or-die" funds for your business then you really need to re-think whether this is the right move. You need to be operational and profitable without the government money. I constantly tell my clients that grant funds are the extra - the sugar - the cherry on top. Plan like the grant won't happen and be thrilled when it does.

13. **Do you have patience?** How quick do you need the money? If you need the grant funds right now you better have a B plan. Unless it's the IRS, government and quick are two words that don't sit well together.

Last But Not Least

[Click here](#) to schedule a free one on one phone call with me to quickly determine if you're qualified for one (or more) of the many grant programs available.



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