

Grants for Businesses: Tips

A successful business usually begins with a single idea. Then, with a little assistance from outside financial resources, this idea is eventually turned to reality. Notice the trend here? While no one is claiming that money can make the world go round, it can do a lot of extraordinary feats, like turning your ideas into dollars, for example.

But then, there lies a dilemma. How many clever ideas do you think people have come up with? Countless? And out of all of them, how many ideas had been turned into successful business ventures? A hundred? A thousand? That's because the person who conceived the idea doesn't have the financial means to make the idea work.

Now, what if you were told that there is a way for you to finance your dreams? No, we're not referring to loans. We're talking about grant money for businesses.

Unlike a loan, business grant money does not require you to pay back the money. Actually, that's the reason why many people refer to it as "free money" because it is, technically, free though there may be obligations and sanctions enforced.

The best thing about business grant money is that it is available. It exists; though you may have to search hard to find one that suits you perfectly. And when it comes to federally funded business grant money, you may have to search harder than usual.

You see, while many private institutions and nonprofit groups offer business grant money to enterprising individuals, the real money (the majority of it, in fact) frequently comes from government.

Congress allocates about \$67 million in business grant money to be distributed to the 57 federal agencies around the United States. For a basic street-paving project proposal, you may get awarded something around \$1,000 - \$25,000 in business grant money.

The only requirement that the federal government demands is that your business project must be beneficial to the local community or the general public. A search through the Catalog of Federal Domestic Assistance (CFDA) would lead you to two types of business grant money: one for rural businesses and one for minority business ventures.

For rural business grant money, the purpose is to encourage sustainable economic development in rural communities with exceptional needs. Since the grant program has a strong emphasis on helping existing businesses grow, eligible applications for the grant money for starting a business are public entities and nonprofit corporations that may in turn award money to the residents they serve.

Other eligible applicants for the grant money for starting a business include Indian tribes on federal or state reservations or other federally recognized tribal groups, and cooperatives with members that are mostly rural residents and that conduct activities for the mutual benefit of the members.

In contrast, minority business grant money offered at CFDA is aimed at fostering new minority business enterprises and maintaining and strengthening existing firms to increase their opportunities to participate and receive benefits of the economic system.

Applications qualified for this program for grant money for starting a business are federal, state or local government entities or quasi-governmental entities, colleges, universities, American Indian tribes, nonprofit organizations, and for-profit organizations.