

Agribusiness Center for Research & Entrepreneurship

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE

# GRANTS GUIDE

## **GETTING STARTED WITH GRANTS**

Before engaging with any grant writers or consultants, there are a couple of preliminary steps to help you determine if you are ready to pursue a grant opportunity. Remember, the grant should be the tool to help you accomplish your goals, not the end goal.

The following steps will help you organize your ideas and information so that you can clearly communicate your goals.

- 1. List and prioritize project ideas. This process can help the consultants better understand how you want to use the grant funds, as well as your priorities. Be sure to include any specific timelines you have in mind.
- 2. Confirm your business's legal organization and current standing with the state. Gather your Articles of Incorporation or operating agreement. If you are not currently legally organized, determine how you would intend to organize the business (sole proprietorship, LLC, etc). See Legal Organization Resources on page 3.
- 3. Gather any materials such as your business plan, feasibility study, marketing plan, financial statements, or any other documents that can provide information about your business operations. Be prepared to discuss your financial situation, including access to cash, as many programs require matching funds. See Grant Resources on page 3.

After determining how you want to use grant funds, you can now begin looking into different funding programs.

- 1. Research grants online. Many grant programs are listed online, along with comprehensive list of available funding programs. Grant Guide Resource
- 2. Look at the types of projects (with the organization or agency you're looking to apply to) that have been funded in the past. This will give you a better idea if your project falls in line with the program.
- 3. Contact your local program personnel. USDA personnel are available to assist you with finding a grant program that fits your needs. By providing an overview of your business and the project you want to fund, they may be able to match you with specific grant programs.
- 4. Determine your eligibility. Information for applicant eligibility should be listed with every grant opportunity. The grant program's officer should also be able to tell you if your business would be eligible for a specific program.

Once you have a better idea about the specific programs you want to apply to, you are now ready to engage with a grant consultant.

- 1. Find a consultant that is right for you and your business. See basic guidelines for selecting a consultant on page 5.
- 2. Provide an overview of your project and business. Include your priorities for focuses, as well as a general overview of the business, including organization, products, etc. The consultants may request that you complete a questionnaire, which will help you easily provide this information. This will provide context for the consultants before any calls or meetings.
- 3. Provide a list of the grant opportunities you are interested in and your expected uses of the grant funds. Detail any information or feedback provided if you spoke to the program officer.

4. Keep an open mind and be flexible. At times, the consultants may recommend grant programs or projects that are not exactly in line with your original ideas. Consider all recommendations before deciding on the best course of action for your business.

## WHAT TO EXPECT WHEN APPLYING

Grant funding is a great resource for agribusinesses looking to take their operations to the next stage. Grants are non-repayable funds that are typically provided by the local or federal government, a foundation, universities, or another nonprofit or private organization. Grant awards can range from a couple hundred dollars to over a million depending on the program.

Almost anyone can apply for a grant. The eligibility for a grant will depend on the specific program, but applicants can include businesses, individuals, nonprofits, agencies, universities, foundations, etc. Grant funds can also be used in many different ways, from academic research to funding working capital expenses. Research a grant before applying to determine applicant eligibility, as well as the allowable uses for grant funds.

## GRANTS TAKE TIME

When applying for a grant program, keep in mind that all grants will take time. The complexity of an application will determine the time requirement, but some applications can take 100+ hours to complete. Some grant programs may also require additional documents beyond the application, such as a feasibility study or business plan, which can take hundreds of hours to complete. You will need to ensure that you have adequate time to complete the application and any additional requirements.

Grants also take time before they are awarded. Once all applications are submitted, they must go through a review process, with some programs requiring multiple review rounds. After the awardees are selected, the grant funds are still not available to the business until after final paperwork is completed. A good rule of thumb is to assume that, if successful, the grant funds will not be available until six months after the application deadline.

Once a grant is awarded, time will be required for reporting and documentation, as many programs require quarterly reports, site visits, and documentation of expenses. You will need to ensure that you have time to commit beyond the application period, or hire specific personnel to assist with these administrative requirements.

## GRANTS ARE NOT FREE MONEY

A common misconception is that grants are free money. In reality, grants can require a monetary commitment and should only be viewed as supplemental to your current operations. The time commitment to a grant application and reporting alone represents a cost to a business, but other costs can be associated with obtaining funding.

- Many programs require a matching funds commitment, at time in the form of cash. Matching funds are the cost sharing requirement of a grant. Some programs may require a dollar for dollar match, while others only require a smaller percentage match. Matching with cash versus in-kind funds typically shows a stronger commitment to the grant and helps set it apart.
- Hiring a professional grant writer can also represent a cost to apply. Many grant writers charge a fee that could vary depending on the complexity of the application. While hiring a grant writer is not required, it can help take some of the time burden from you as the applicant.

Remember, grant funds should not be used to replace your current operating budget, and should instead help with new projects or expand your current activities. Since many programs provide the awarded funds on a reimbursement basis, you will need to have sufficient cash flow to pay for expenses. Grant funds are also temporary and should not be used to sustain the business long-term.

Once you've gathered all the information above you can contact Kyle Player, Assistant Director, ACRE at <u>kplayer@scda.sc.gov</u> or 803-734-2324 to discuss opportunities.

Also provided is information on Matson Consulting, ACRE's grants partner. As part of your ACRE grants program participation, Matson Consulting will provide you with guidance as you prepare to apply for a grant. If you are interested hiring Matson to write your grant application, this document outlines their process and schedule of fees on page 6.

## LEGAL ORGANIZATION RESOURCES

State Corporation Commission sos.sc.gov/BusinessFilings

Small Business Development Center scsbdc.com

## **GRANT RESOURCES**

SAM System: Registration required for most federal grant programs.

sam.gov/portal/SAM/##11

Dun and Bradstreet (DUNS Number): Registration required for most federal grant programs.

www.dnb.com/duns-number.html

Grants.Gov: Centralized location for federal grant programs. This system can be used to search available grants, submit applications, and check application status. Many programs require the use of the site and registration is required. **grants.gov** 

USDA Grants and Loans Site: USDA's comprehensive list of grants across all departments.

www.usda.gov/topics/farming/grants-and-loans

National Sustainable Agriculture Coalition: This is another comprehensive list of federal farm and food grant programs. <a href="mailto:sustainableagriculture.net/publications/grassrootsguide/farm-bill-programs-and-grants/">sustainableagriculture.net/publications/grassrootsguide/farm-bill-programs-and-grants/</a>

University of California Small Farm Program: Good resources from the University of California on how to prepare to apply for a loan or other funding for a small business.

sfp.ucdavis.edu/pubs/Family\_Farm\_Series/Farmmanage/finance/

Beginning Farmers.org: Another list of grants from different agencies and organizations, specifically catered toward new farm businesses.

beginningfarmers.org/funding-resources/

Center for Rural Affairs: Overview of what lenders look for when applying for funds, as well as a list of funding sources. <u>cfra.org/sites/www.cfra.org/files/BF-Financing-Strategies.pdf</u>

## SAMPLE GRANT LISTING

#### **USDA PROGRAMS**

Beginning Farmer and Rancher Development Program (BFRDP)

nifa.usda.gov/funding-opportunity/beginning-farmer-and-rancher-development-program-bfrdp

Community Facilities Direct Loan & Grant

rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program

Community Food Projects (CFP) Competitive Grant Program

nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program

Farmers Market Promotion Program (FMPP)

ams.usda.gov/services/grants/fmpp

Local Food Promotion Program (LFPP)

ams.usda.gov/services/grants/lfpp

Rural Business Development Grant (RBDG)

rd.usda.gov/programs-services/rural-business-development-grants

Rural Cooperatives Development Grant (RCDG)

rd.usda.gov/programs-services/rural-cooperative-development-grant-program

Rural Energy for America Program (REAP)

rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency

Socially-Disadvantaged Groups Grant (SDGG)

rd.usda.gov/programs-services/socially-disadvantaged-groups-grant

Specialty Crop Block Grant (SCBG)

ams.usda.gov/services/grants/scbqp

Value Added Producer Grant (VAPG)

rd.usda.gov/programs-services/value-added-producer-grants

#### FOUNDATION PROGRAMS

**AFLAC** 

yourfoundation.org/nonprofits/grant-opportunities/aflac

Central Carolina Community Foundation (CCCF)

yourfoundation.org/

Mary Reynolds Babcock Foundation Grants

mrbf.org/grants

#### OTHER PROGRAMS

South Carolina Community Development Block Grant Program (SC CDBG)- Department of Commerce <a href="cdbgsc.com/">cdbgsc.com/</a>

Sustainable Agriculture Research and Education Grants (SARE)

sare.org/Grants

#### LOANS

Farm Storage Facility Loan Program (FSFL)

fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/

## WHAT TO LOOK FOR IN A CONSULTANT

Applying for a grant is a daunting task, especially if you are unfamiliar with the process and requirements. Consultants and professional grant writers can provide guidance and assistance with the grant process. It is important to find a consultant with the right expertise that is also compatible with you and your business. The following tips can help guide you during your search for a consultant:

- Find a consultant who is trustworthy and professional, one you feel comfortable sharing details of your company, goals, and business plans.
- Consider the team's expertise and past successes. Look for a consulting team that is experienced and familiar with your target grant programs, as well as projects similar to yours.
- Ask for references for past clients. If you contact these references, ask about the overall experience with the consultant, as well as their ability to meet timeline.

Ask for a typical service fee or hourly rate. It may not be possible for a consultant to provide a full quote until they know the details of your project, but they should be able to provide a range or typical rate. Always consider your budget when looking at different consultants.

Remember, grant funds cannot be used to pay the fee to prepare the application. Impeccable communication skills are essential when looking for a consultant. A good consultant will consider your needs while offering honest feedback about issues your business may face.



## MATSON CONSULTING

Since 2001, Matson Consulting has worked with businesses, individuals, groups, and agencies to provide assistance on multiple federal grant programs, specializing on those administered by the USDA. During a typical year, Matson can help secure over \$8 million in total grant funding for a business. The following list shows some of the USDA grant programs with which Matson can provide assistance. For more information regarding these and other grants visit <u>matsonconsult.com/grants/</u>.

- Value-Added Producer Grant (VAPG)
- Rural Cooperative Development Grant (RCDG)
- Rural Business Development Grant (RBDG)
- Farmers' Marketing Promotion Program (FMPP)
- Local Food Promotion Program (LFPP)
- Rural Energy for America Program (REAP)

Matson also aids businesses with the composition of detailed and thoroughly researched documents such as feasibility studies and business plans, working meticulously so that every element of the document is sound. With Matson Consulting, an applicant can be sure to have the best opportunity for success when applying for a grant.

#### MATSON CONSULTING'S PROCESS

The firm works with a business through the entire grant application process, from an initial consultation to understand the program to the final application submission. Matson will typically contact a client many times throughout the application process, which helps the firm create an application that captures the essence of a project. Depending on the program, the application process can require between 80-100 hours for the firm to complete.

Matson Consulting takes the time to determine how a project best fits within a grant program to give a client's application the best chance of success. Having worked with many of the same grant programs every year, the firm has become very familiar with application requirements.

Some grant programs require additional documents beyond the application that Matson can also assist with, such as a feasibility study or business plan. Should a client need these items, Matson requires ample time before starting the grant process to develop the documents.

#### PRICING STRUCTURE

Matson provides high quality and competitively priced services. Each and every project is unique, so pricing for services are determined on a per project basis. There are several factors that can have an affect on pricing levels such as the time required to complete the agreed upon level of work and a client's desired timeline for project completion.

The hours required for each project can vary depending on the level of work required. Business plans can take up to 150 work hours and feasibility studies can take up to 500 work hours. For more information on pricing structure, please visit <u>matsonconsult.com/pricing-structure/</u>.

Matson Consulting is always eager to work with new businesses and clients and is open to discussing a pricing structure that fits their needs. If interested in a consultation, the firm can be contacted at (803) 233-7134 or can be visited at *matsonconsult.com*.