



Federal Economic Stimulus Legislation:

Grant Application Information, Tips, and Resources

Overview

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (aka: the Economic Stimulus Package or the Act). Nonprofits may have an interest in the Act, both because of special relief being provided to communities that nonprofits typically serve and because provisions authorize new federal funds for grants that nonprofits could use to serve their local communities.

Grant Information—The Need for Speed

The need to get the stimulus funds out and put to use has expedited the grantmaking and therefore grant application process. If you think your nonprofit may want to apply for a grant, check the federal government's new website regularly: www.recovery.gov.

According to the timelines published on this website, in one state the first deadline occurred just two days after the President signed the law; in other states, public hearings occurred on March 3 and in another, proposals for how to use the stimulus funding were due by noon on March 4. This emphasizes the need for nonprofits to quickly determine if they are eligible for funds, if the provisions of the Act fit with their mission, and to put together a thoughtful and solid grant application package that meets the requirements of the legislation.

While the Act contains unprecedented accountability and transparency requirements, those provisions will not fully kick in until later in the process. With so many businesses, governments, and nonprofits struggling to survive financially, there may be an immediate "feeding frenzy" as people eye the stimulus bill and angle for a slice.

The overarching reason for the Act is to get America back on its feet. Federal, state, and local government officials will be severely challenged to deploy this volume of funding with such rapid deadlines—not because they are inept, but because few have ever experienced such demands in their careers. Therefore, nonprofit leaders need to step forward now to claim a seat at the policy table to make sure that community voices are truly heard and that decisions about what gets funded—and what doesn't—are made wisely for the common good.

California Resources

With an estimated \$85 billion headed toward California over the next two years, on 3/26/09 Governor Arnold Schwarzenegger created the California Federal Economic Stimulus Task Force. Among other duties, the Task Force is charged with helping cities, counties, and nonprofits access the available funding.

The Task Force can be reached through its web site, www.recover.ca.gov or by telephone at 916-322-4688. This web site shows estimated spending by category (health and human services, education, housing, etc.); click on each category to reveal a description of programs to be funded and amounts available.

According to the Department of Health and Human Services, “Not all Recovery money available or of interest to nonprofits is grants: “Most of Recovery Act funding will go to States, Territories, and Tribes, who will in turn distribute funds through grants, contracts, subsidies, loan programs, etc.”

In the article, “What Does the American Recovery and Reinvestment Act of 2009 Mean for California,” the California Budget Project has summarized described many of the provisions that will benefit California: http://www.cbp.org/pdfs/2009/090309_ARRA.pdf

Nonprofits play a vital role in working to improve the health, safety, and quality of life in local communities every day. Sometimes what we do get packaged as numbers, such as the fact that we employ more than 11 million people—about 10% of the nation’s workforce. Sometimes what we do gets packaged by how we help individuals, such as feeding the body, protecting the body, healing the body, fueling the mind, and nurturing the spirit. And sometimes what we do gets packaged by how we serve the broader community as champions of the common good, incubators of innovation, laboratories of leadership, and weavers of community. As core and vital American institutions meeting community needs, nonprofits should not be shy about stepping forward if you truly can use the funds as the Act intends.

An entire constellation of activities is covered under the Act, including activities to preserve jobs, to support education including early childhood education, public safety, worker training and employment needs, green jobs training, public housing, community facilities, the prevention of homelessness among children, emergency food programs, senior meals, preventable diseases and immunization programs—all the areas in which nonprofits have demonstrated true leadership and commitment. California nonprofits will play a leadership role in how Stimulus funding is used to provide relief to the communities they serve and to invest in California’s future.

Nonprofit Tips

The following tips will aid nonprofits as they assess rapidly approaching deadlines and explore their responses:

- ✓ Read the Stimulus Act. Know the provisions of the Act; research the web sites. Learn what funding is available and what the purpose of the funding is.
- ✓ Avoid Mission Drift. Just because funding exists doesn’t mean you should ask for some. Nonprofit leaders should review their mission statements, review their community needs, and review the stimulus bill to see if there is an alignment between the agency’s mission and provisions of the Act. Don’t chase after the money. Keep true to your mission and core values.
- ✓ Remain Informed. Watch both the state and federal government web sites to see what is being done in terms of who receives and who will be responsible for the stimulus funds flowing from the federal government. Most funds will flow first through the Governor who must certify that the State will request and use funds provided by this Act and that the funds will be used to create jobs and promote economic growth. Nonprofits interested in applying for grants—whether directly to federal agencies or to state and local governments that received federal funds—must remain vigilant in these fast-paced times to remain informed.
- ✓ Align Services to Resources. Congress appropriated the stimulus funds for particular reasons, so when preparing your grant application, stress the official purposes so you can convince the

grantmaking authorities you will help them achieve the official purposes of this historic legislation.

Key Resources

Federal Information

1. Federal Websites

Initially, the best sources will be the new www.recovery.gov website and, for grant information and applications, the established federal website, www.grants.gov. Eventually, the websites of the various federal agencies overseeing particular funds should have quality information as well.

2. Federal Elected Officials' Websites

U.S. Senators and members of Congress have started posting information about how money will be dispensed in their home states and congressional districts.

3. National Newspapers & E-Newsletters

In addition to visiting the website of the National Council of Nonprofits, www.councilofnonprofits.org, consider subscribing to nonprofit newspapers and e-newsletters, several of which are free. One that seems to be on the cutting edge right now is the *Cohen Report on the Intersection of Nonprofits, Policies, and Public Policy*, written by Rick Cohen, who for years led the nonprofit National Committee for Responsive Philanthropy. His column (available free via email) includes insights about the stimulus bill.

State Level Information

1. California Association of Nonprofits

The CAN Website is updated on a regular basis with information on the economic stimulus plan to see full articles visit , www.canonprofits.org

2. California Recovery Website

The state has begun to post up to date information on how they will handle stimulus funds, visit www.recovery.ca.gov/

3. Governor of California: <http://gov.ca.gov/>

4. California Legislature: <http://www.legislature.ca.gov/>

5. "What Does the American Recovery and Reinvestment Act of 2009 Mean for California"

http://www.cbp.org/pdfs/2009/090309_ARRA.pdf

6. Philanthropic (<http://pndblog.typepad.com/pndblog/>) has numerous postings on nonprofits and the economy and Nonprofit Law Blog (<http://www.nonprofitlawblog.com/>) has postings on related topics like Serve America Act and Obama's proposed cap on charitable giving tax deductions.

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