



## Know Your Grants

**Competitive grant.** Competitive grants are based on the merit of your proposed project. Depending upon the funding guidelines, it will usually be evaluated both in terms of its own merit (is this a good project based on the funding goals?) and as it relates to other projects competing for the funds. Competitive awardees are chosen by a team of reviewers, sometimes "blindly," meaning the reviewers are not aware of who the applicants are and are evaluating only the merits of the project.

The outcome of a competitive awarding process is not predetermined, and with federal funding, there are a lot of rules and regulations in place to keep the awarding process fair and equitable.

**Discretionary grant.** A discretionary grant awards funds on the basis of a competitive process. The government agency reviews applications, in part through a formal review process, in light of the legislative and regulatory requirements and published selection criteria established for a program. The review process gives the agency discretion to determine which applications best address the program requirements and are, therefore, most worthy of funding. If projects submitted don't meet the criteria, the funds do not have to be awarded.



**Formula grant.** Formula grant programs are noncompetitive awards based on a predetermined formula. These programs are sometimes referred to as state-administered programs. It is different for every program, but typically, a recipient must meet certain criteria thresholds to be considered for the awarding of funds. These criteria can be based on measurable things like population, median income, or number of students in a school district. This means it's essential that you research the different government agency websites and the authorizing legislation to see if your project qualifies. Legislation and regulations set the formula for this type of funding, so agencies must adhere to that formula when awarding grants.

Sometimes, a state can receive a formula grant and then make the funds available on a competitive basis within the state. For example, if Minnesota receives \$23 million in federal funds for projects relating to a certain outcome, they state may sometimes be allowed to have applicants/projects compete for the funds. Other times, the formula funds are distributed on a first-come, first-served basis until they run out. Yet other times the funds may be distributed according to priority parameters in the original legislation.

**Mandatory grant.** These grants must be awarded, usually on a first come, first served basis, to all eligible applicants that meet grant criteria.