



# Grants for Economic Development (for Grantees)

## PRIMER

### INTRODUCTION TO GRANTS FOR ECONOMIC DEVELOPMENT

An economic development grant is a way for government to fund ideas and programs designed to spur the economy. Federal and state grants can help local governments finance economic development projects, particularly those that support the construction or rehabilitation of public infrastructure and facilities. These projects may address community goals that create or keep private sector jobs and investments, attract private sector capital, or promote regional competitiveness, innovation and entrepreneurship, including investments that expand and upgrade infrastructure to attract new industry.

### USE OF GRANTS IN LOCAL GOVERNMENT FOR ECONOMIC DEVELOPMENT

Federal and state agencies use an application process to review funding requests from eligible entities. The grant process follows a life cycle that includes creating the funding opportunity, application, making award decisions and implementing the award.

#### GRANT LIFECYCLE

<b>Pre-Award Phase</b>	Funding Opportunity Announcement & Application Review
<b>Award Phase</b>	Award Decisions & Notifications
<b>Post Award Phase</b>	Implementation, Reporting & Closeout

Accepting a grant from a federal or state agency creates a legal duty on the part of the grantee to use the funds according to its terms and to comply with its provisions and conditions. A grant agreement outlines the responsibilities for the granting agencies and the grantee. Through this agreement, the grantee often assumes responsibility for project activities and becomes accountable for meeting federal and state standards of financial management, internal controls, procurement, audit and reporting.

Some economic development grants require partnerships of regional economic and workforce development organizations, private businesses and other stakeholders. These grants allow grantees to take deliberate steps to build economic strength, industry diversity, local and regional workforce pipelines and job opportunities.



## QUESTIONS FINANCE OFFICERS SHOULD ASK ABOUT GRANTS

Finance officers should be ready to ask the following questions about grant applications or awards:

- » How does the grant funding meet the community's economic development goals?
- » What are the obligations incurred by accepting the grant?
- » Does the local government have enough financial and/or human resources to oversee, manage and implement the grant?
- » In regional and public private partnerships, what obligations and reporting information should be required and detailed through a formal agreement?
- » What information will be needed as a condition of the grant that is out of the control of the local government (i.e., private business reporting)?
- » What are the impacts of failing to meet the grant requirements, if any?

## OUTSIDE RESOURCES

- » **Grants Administration:**  
<http://www.gfoa.org/grants-administration>
- » **Internal Controls for Grants:**  
<http://www.gfoa.org/internal-control-grants>
- » **U.S. Economic Development Administration:**  
<https://www.eda.gov/funding-opportunities/>
- » **Office of Management and Budget E-government initiative:**  
<https://www.grants.gov/>

## About GFOA

The Government Finance Officers Association (GFOA) represents approximately 20,000 public finance officers throughout the United States and Canada. GFOA's mission is to promote excellence in state and local government financial management. GFOA views its role as a resource, educator, facilitator, and advocate for both its members and the governments they serve and provides best practice guidance, leadership, professional development, resources and tools, networking opportunities, award programs, and advisory services.