



**A GRANT
IS NOT A
LOAN**

**DOES YOUR
BUSINESS
QUALIFY?**

by Diane M. Calabrese

Whether it is insulation or innovation, a special undertaking can be good for the bottom line long-term, but short-term the effort usually takes extra capital. One option is a business loan; another is a grant.

Federal, state, and local entities design many programs that dispense funds in a way that nudges forward governmental interests. Programs promoting clean water, energy conservation, and job creation typically rank high on their priority list. In certain situations, grants are awarded outright for equipment purchases, particularly if the new machinery adds jobs, reduces waste in landfills, or eliminates pollutants in air and water.

Many grants require a match by the business. For instance, the Small Business Advantage Grant Program (SBAGP) in Pennsylvania, which dates to 2004, requires a 50 percent match. In return, a business can garner as much as \$7,500 for equipment or processes that reduce energy use or pollution. Among recent SBAGP recipients were a tool manufacturer that garnered \$7,500 for an energy-saving air compressor and a car wash that was awarded \$7,500 for a high-efficiency boiler.

Contractors, manufacturers, and distributors ought to consider grants as a viable source of funds for a business. The key to finding a grant (and ultimately getting it) is to start with a focus on the goal. What does a business want to do?

Manufacturers perfecting technologies that separate oil from water, substitute ozone for chlorine, or otherwise eliminate chemicals from the environment may be eligible for funds deriving from Environmental Protection Agency (EPA) initiatives. Companies incorporating alternative sources of energy to improve energy efficiency on-site or developing technologies and processes that pare down energy use are candidates for a Department of Energy (DOE) program slated to award as much as \$10 billion in loan guarantees.

But potential funding is available from sources well beyond the familiar EPA and DOE. The Natural Resources Conservation Service (NRCS) of the Department of Agriculture has offered Conservation Innovation Grants to support businesses that accelerate technology transfer and adoption of promising technologies. Companies involved in cleaning for agro-businesses should put the NRCS on their list.

Adopting and demonstrating a technology that works to reduce pollution can be a way to obtain funds as a best practice or demonstration project. Look to municipalities and local environmental groups for funding, or at least leads to funding, of this sort.

Moreover, the cost of making certain changes required by law, such as putting idle-reduction devices in trucks, may be subsidized by a grant. In 2008, all 50 states participated in the State Clean Diesel Grant Program administered by the EPA. And 35 states provided matching funds to the federal funds. The program included \$3.4 million in grants

to help small trucking firms lower their fuel costs and shrink their carbon footprints. Consider it for 2009 if diesel compliance is a business objective.

The multi-layers of grant funding available to businesses are both good news and bad news. The time it takes to sift through to a potential match can be almost as great as the time it takes to apply. Still, there are good strategies for simplifying the task.

Start at the federal website Grants.gov. Not only does it streamline the path to federal sources of grants, but it also clarifies eligibility and emphasizes the importance of getting information directly from the funding source.



Grants.gov includes hot links to all federal agencies that award grants. Besides EPA and DOE, businesses should consider possibilities that fall under the Department of Transportation and Department of Commerce. The link to the Small Business Administration (SBA) in the Department of Labor is another essential one.

The SBA awards grants as well as loans. For contractors with revenue of \$12 million or less and manufacturers with fewer than 500 employees, SBA can be a significant source of funds.

One nice feature of Grants.gov is that it allows a company to set up a "subscription." That is, a business can request information about new grant opportunities and receive it in a regular email delivery.

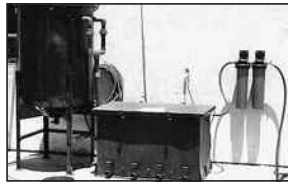
Businesses should use creative thinking to widen their scope when they scout for grants. Companies that belong to professional organizations and community associations may want to explore funding sources for environmental



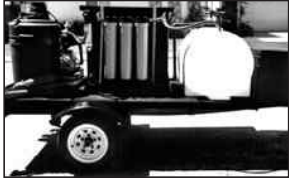
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education offered through EPA. Organizations that do community outreach can find the funds are a valuable way to provide a public service and subtly get the word out regarding the significance of what contractors, manufacturers, and distributors contribute to economic vitality.

Some firms may have considered apprenticing workers or expanding their workforce by training non-traditional workers. If they decide to do so, they may find an ally in the SBA, which is also the place to begin any search for funds connected to safety training for employees.

Using pass-through federal money, as well as dollars raised within states and local taxing entities, states, municipalities, and organizations configure their own grant programs that encompass businesses. Groups like Project Clean Water are found across the nation. To cast the widest net for funds, identify such regional groups and review their grant making.

Similarly, counties and states craft their own programs to address environmental concerns. In 2007, Gwinnett County, GA, worked directly with members of the power washing industry in the county. Together, contractors and government officials developed guidelines for wastewater management. A company could consider this a sort of in-kind support because the county in turn advised that clients choose only power washing contractors that adhere to the guidelines.

And states often take the tactic like one in Illinois in 2006. The Land of Lincoln shaped a state program that worked with manufacturers to help them identify ways to reduce energy use and methods for implementing changes. It also included a solar rebate program, which was a flat 30 percent of cost, for putting the renewable energy source in use.

In a competitive environment, businesses should be doing everything possible to expand their access to capital and customers. That includes putting grants in the hopper of possibilities. *CT*