

Fundraising – Grant Funding Primer



What is grant financing?

'Free' monetary assistance provided to small or large companies meant to meet particular needs or used for specific projects. Grants can be restricted (with milestones and deliverables) or unrestricted.

What type of company is best suited to utilize grant funding?

Early stage ventures in validation phases working to establish product market fit, conduct research, and refine their business model.

Are grants just free money?

No, it is a common mistake to believe grants are free money. Donors give grants to buy insights and impact, both of which you will have to put time and effort into tracking and reporting.

How do I find out about grants?

Spend 45 minutes each day checking the following sources to find out about grant opportunities.

- Newsletters from relevant publications
- Grant funding organizations twitter accounts
- 990 forms from similar non-profit organizations
- Partners listed on similar company websites
- Network (pick up the phone) and attend conferences
- Review grant funding databases (listed below)

What are the potential drawbacks?

- Future investors may see grants as a sign that your company has difficulty generating its own revenue (or they may be pleased you built your business with non-dilutive funding)
- Grant funding organizations can often have longer than expected cycle times
- Managing and reporting on grants after you've received them can be time intensive
- Trying to win grant funding that does not align with your company mission can be a distraction from your more important core business activities

Grant Funding Databases:

Use the following databases to find funders that align with your mission, geography, vehicle type, industry, and typical deal size.

[Impact Space](#) – Open data platform with investors, ventures, and deal information from the global impact marketplace

[ANDE Member Map](#) – ANDE members are organizations that support entrepreneurship in emerging markets. The member map allows you to sort the members by type, focus, and location.

[Global Innovation Exchange](#) – Database of funding sources (mostly grants) for impact ventures.

[ImpactAssets 50](#) – Searchable showcase of impact investment funds

[Impact Alpha](#) – Searchable map of impact investors

[Covidcap.com](#) – Database of grants and loans available for entrepreneurs in response to COVID