

The grant writing process

By John A. Lizotte

Inquirer Correspondent

I think it's safe to say that most small businesses would love to find grant money, but once they find a grant to apply for, they commonly experience two very large stumbling blocks. First, the proposal process can be very intimidating, and second, they don't know how to handle the accounting (for tax purposes) of grant awards.

Before I explain the typical application process, there are a few points you need to keep in mind if you're trying to apply for grants of any type.

First, the process of applying for a grant is referred to by many terms. Although grant writing is the most common term for this process, it might also be called a grant application or a grant response.

Second, grants quite often require the recipient to provide matching funds. For example, you may need to come up with \$10,000 before the grantor will give an additional \$10,000.

Third, and probably most important, is that the grant writing process is incredibly time consuming. The paperwork required can be as simple as a standardized application, but in most cases the response can be thirty pages or more, just like a business plan.

Many grants can take months of detailed paperwork and financial calculations before you are ready to submit your proposal. The approval process after submission can take up to an additional nine or more months.

Unless you're knowledgeable about grant writing, and have unlimited free time to work your way through the application process, I strongly recommend that you hire a freelance grant writer. Expect to pay a fee based on the amount of time and effort they need to put into your response.

Plan to pay them when they give you the completed application. They need to be paid for their work regardless of



whether or not you get the grant award. Expecting them to get paid after you get the grant money, or by paying them a percentage of the grant award, is not only unrealistic, it is borderline unethical. Even if you don't win the grant award, you can still write off their fee as a business expense.

While we are talking about fees, be aware that there are many grant-related scams out there, especially on the internet. You should not be required to pay to apply for a grant, although some legitimate web sites sell access to their directory of opportunities for a monthly fee.

Most Small Business Development Centers offer free guidance on how to write a grant proposal. We have two of them in this area. One is in Mansfield, and one is in Marion. To find your nearest SBDC, go to <http://www.sbdcenter.org/>.

Your local library is also a great place to find books on writing grant proposals. The Galion Public Library has several books on the topic. There is also a wealth of information on the internet if you search on terms like "grant writing" or "grant response".

Most grant awards come with very strict requirements to keep detailed records as to how the funds are being used. In addition, the recipient will often need to prove that the money awarded was used within the timeframe allotted by the distributors or the proposal.

The flow of a typical grant response goes like this: research and locate the opportunity, complete the application, and keep detailed records.

You can try to locate grants you are qualified for by searching at

<http://www.sbir.gov/> or <https://www.cfda.gov/>. You can also search for community foundation grants at <http://www.foundation-center.org/>. They list over 200 community foundations in their database.

Next, complete the required paperwork. This is where hiring a freelance grant writer makes incredibly good business sense. When applying for small business grants, make sure to be thorough and complete. Most opportunities will require very lengthy applications. Follow their instructions exactly. Being inaccurate or skipping questions may disqualify you.

A very detailed overview of the typical grant response process can be found at http://grants.nih.gov/grants/grants_process.htm.

Now that you've been awarded that grant money, it's time for you to deal with the record keeping, reporting requirements, and accounting issues that come along with the money.

If you get a grant, it is reported as income on your taxes. You'll receive a 1099G to report the grant on your taxes as income. However, it's not as bad as it sounds. Most grants aren't given without a specific purpose or use, so the expenses that you incur actually performing whatever you proposed actually offsets the income. If the numbers in your proposal are anywhere near correct, then your expenses should equal your income and it becomes a "wash".

Most grantors will also require you to make periodic reports of the project status and money used. Make sure you file the reports in a timely manner, and include as much detail as required. Although you may have already been awarded this grant, failure to follow the required reporting procedures could keep you from getting that next grant.

For more information on grants and other small business topics, you can find my business blog at www.JohnLizotte.com.

ADAMH, 20/20 partner to offer free narcotics training

Residents or employees in Crawford or Marion County, especially those who work with children, are invited to attend a free program to be held Friday, March 16. "Operation Street Smart," a drug awareness program sponsored by the Crawford-Marion Board of Alcohol, Drug Addiction and Mental Health Services, the Marion-Crawford Prevention Programs, and the Crawford 20/20 Public Safety and Drug Abuse Action Team, will be held from 9 a.m. until 3 p.m. on March 16 at First Presbyterian Church of Galion, 240 S. Market St.

At the program, the Franklin County Sheriff's Office will present up-to-date narcotics information on trends, terminology, paraphernalia and physiological effects. Teachers, school resource officers, probation officers, youth service workers, school administrators and school board members, youth pastors and parents are encouraged to attend because of their work with youth.

Pre-registration is required but there is no fee. Call the Crawford-Marion ADAMH Board at (740) 387-8531 or email torcrutt@ohiopps.org to register.

Ohio State Economists: Shale Gas May Bring Fewer Jobs Than Thought

A recent industry-funded study estimating that development of shale natural gas and oil could create or support 200,000 jobs in Ohio greatly overestimates the economic impact of the industry, according to a new Ohio State University analysis. Furthermore, the researchers say, focusing on jobs rather than other factors related to the growing industry is misguided.

The analysis, written by doctoral student Amanda Weinstein and Mark Partridge, Swank Chair of Rural-Urban Policy in Ohio State's Department of Agricultural, Environmental and Development Economics, is available online at <http://go.osu.edu/shale-jobs>.

Partridge and Weinstein wrote "The Economic Value of Shale Natural Gas in Ohio" in response to various industry studies, such as the Kleinhenz and Associates study prepared for the Ohio Oil and Gas Energy Education Program, which was released in September. The Ohio State researchers' analysis suggests that the state could expect a net gain of about 20,000 jobs over the next four years from shale gas development, just one-tenth of what the Kleinhenz study suggested.

"We have about 5.1 million jobs in Ohio, and we need to create about 100,000 jobs each year to keep up with natural population growth to start to tangibly reduce unemployment," said Partridge, who also has appointments with the Ohio Agricultural Research and Development Center and Ohio State University Extension. If an industry could create 200,000 jobs over four years, that would be a remarkable achievement, he said. But the industry-sponsored analysis used techniques for estimating job numbers that, though typically used by consultants,

are not accepted best practices for such analyses.

"There are well-accepted techniques for coming up with these numbers. They are not typically used in industry reports, but in academic circles, at least, they are acknowledged as being much more accurate," Partridge said.

The energy sector is one that's more capital-intensive than labor-intensive, Weinstein said. As such, Ohio shouldn't expect it to have a huge impact on employment growth. "Any growth in jobs is good," she said, "but this development just won't provide the entire answer for Ohio."

As part of their analysis, the researchers examined employment and income growth in several Pennsylvania counties. Though per-capita income has generally increased more rapidly in shale-gas areas, job growth has not always been higher in areas where shale gas development is occurring compared to otherwise similar areas not affected by it.

"It's useful to look at what's happened in Pennsylvania so far," Weinstein said. "We'll have to wait and see what happens in Ohio."

Although the smaller jobs estimate is, not surprisingly, the first thing readers of the report might notice, it is not the most important message they tried to get across in their analysis, Partridge and Weinstein said. "On the local level with shale energy development, there's a sudden influx of money — from lease payments, platform construction, that sort of thing," Partridge said. "It's a real gold-rush mentality. But what communities really want and need is long-term development. Typically, energy booms don't provide that kind of sustainable growth. These communities need to be aware that there's a boom/bust cycle, and they need to do what they can to plan for it."

For example, communities involved in shale

gas development see an abrupt invasion of out-of-town workers filling up nearby motels, hotels and restaurants. The instinct might be to provide more housing or other provisions for the newcomers, Partridge said. But such infrastructure won't be needed after the initial phases of development, "and then someone has to do the maintenance and upkeep. The problem is that most communities are distracted by the short-term gains they're experiencing rather than keeping their eyes on the long-term."

Communities should seriously examine how they might use the boom years to develop new community assets that will remain long after the bust takes hold, Partridge said.

"They should work with industry to ensure it pays for new roads and infrastructure it needs to do business," Partridge said. "They should figure out ways to capitalize on the new money to build schools or other community assets. They need to think about ensuring they have a long-term financial plan that will provide a cushion as the boom moves out of their area."

The report also raises discussion of some of the environmental implications of shale gas development.

"We're not environmental experts," Weinstein said, "but we do believe we can add to the conversation about environmental considerations. Too often in the debate, environmental impacts of shale gas development are compared to doing nothing at all. That ignores the reality that in all likelihood, shale gas will supplant coal as an energy source, and shale gas is a cleaner fuel than coal."

In the same way, an increase in jobs in the shale gas industry will likely mean a decrease in coal-related jobs, the researchers said. Such displacement needs to be accounted for in any economic analysis.

You can use tire chains, but you'd be one of the few

By Sarah Einselen

Inquirer Reporter

Tire chains. You've heard of them, but have you seen them?

Chain or cable webs designed to wrap around tires to improve traction in the snow or ice, called tire chains or sometimes snow chains, are becoming less common, according to several local auto parts suppliers and auto repair centers. Winter tires or studded tires are used instead.

"With the advent of better and better winter snow tires, I don't think tire chains (or studded snow tires) are used much anymore," said Gene Toy, Galion city manager. "I don't know when the last time was that I saw a regular vehicular going with chains on the tires."

Under Ohio law, use of studded tires or tire chains is limited to the weeks between Nov. 1 and April 15. And in Galion, they're rarely used.

"I've been in the parts business for ten years and I think I've sold one set of chains," said Mike Walsh, manager of O'Reilly's Auto Parts on Harding Way West. O'Reilly's does not stock chains. Zeus Torres at Advance Auto said that store began stocking sets of tire chains last year. "I don't think we've sold a



one," he said.

"Around here, the townships and cities are good about clearing the roads within a few hours," said Steve Keller, owner of NAPA Keller Auto Parts on Harding Way West. "The average guy with a 4-wheel-drive truck, he doesn't seem to put chains on anything." People driving tractors or other farm equipment sometimes install chains, he said.

Greg Morrison, owner of Greg's Auto Service on Rostalk Road, said chains were more common in hilly areas, like the Smoky Mountains. "You can only go so fast with tire chains," he commented.

An Edmunds.com article on installing tire chains advised readers not to drive more than 30 miles per hour with tire chains installed. Studded tires are more common, Morrison said, but are different from winter tires.

Galion city vehicles do not use chains anymore, according to Toy. In the past, mechanically deployed tire chains had been installed on the fire trucks, but were removed since they didn't work as well as had been advertised. Police cars have winter tires installed, according to Schieber's Auto, which works on the cars. The rear-wheel-drive snow plows carry six tons of salt, Toy said, providing extra traction that makes tire chains irrelevant.

Since tire chains are digging into the snow and ice on top of the road, they don't damage the streets much, said Toy.

Jefferson Township has a set of tire chains for its two snow-plowing trucks, but only the larger truck uses them much, according to township trustee Richard Eichorn. The chains definitely help fellow trustee William Burgin stay out of snowdrifts, Eichorn said, but he hadn't had occasion to use his set yet. The chains take about half an hour to install, he said, and last year the trustees used the one set of chains for about a week total during the winter. They remove them as soon as the roads are clear enough.

"It's too hard on the truck tires to leave them on when there's no snow," Eichorn said.

"Try to learn something about everything and everything about something."

~ Thomas Henry Huxley
(1825 - 1895)

"We can be sure that the greatest hope for maintaining equilibrium in the face of any situation rests within ourselves."

~ Francis J. Braceland (1900-1985)

Don't Overdo Tillage Following Wet Spring, Harvest

Warning farmers against "recreational tillage" between now and planting the 2012 crop, recently retired Ohio State University Extension engineer Randall Reeder said the unusually wet conditions surrounding planting and harvest in 2011 made quite an impact on soil conditions.

"Many farmers will be unable to get back in their fields after harvest," said Reeder, also an associate professor emeritus in the Department of Food, Agricultural and Biological Engineering. "Many fields have ruts and severe compaction issues." Comparing soil conditions to those seen in 2009, Reeder noted that 2011 is on track to be the wettest year on record for Ohio. The persistent rains that delayed both planting and harvest this year mean the best course of action for farmers concerned about soil quality may well be no action at all.

"You don't want to make a bad situation worse by performing deep tillage on wet soils because it destroys the soil structure," Reeder explained. "If you do tillage you have a looser soil structure, and if we see more rains next spring, that will allow even more compaction issues." The cumulative effect, he said, is that tillage begets tillage, meaning that attempting to correct ruts and compaction issues too quickly could lead to even more rutting and compaction issues later. Because of the ongoing rains, the window for fall tillage has closed.

Reeder, a well-known advocate for no-till and other reduced-tillage farming practices, acknowledged that even long-term no-till operations saw soil-related challenges this year because of the extreme precipitation. He said that means most farmers are in the same proverbial boat when it comes to dealing with damage in their fields.

"Next spring, do the least amount of tillage necessary to get the ground ready for planting," he advised. "Often a light, shallow tillage operation can smooth out ruts and create a surface ideal, or at least acceptable, for planting."

He emphasized the benefits of controlled traffic, and recommended farmers use the conditions as a learning opportunity. He suggested farmers consider the benefits of continuous no-till, which can include strip-till ahead of corn. Research has consistently shown that compaction affects crop yields. OSU research involving Hoytville silty clay loam soils showed that compaction costs 10 to 15 percent of a crop's yield potential.

Reeder said the research also found that soil managed under continuous no-till resisted compaction better than soil that was subsoiled every three years, and resulted in higher yields.

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