Public Funding Comparison

Funding from the government, both federal and state, comes in many forms. In the current funding environment, it is important to understand the difference between formula grants, competitive grants, and relief or stimulus funding. The chart below outlines the major differences to help distinguish which type of funding your customer is seeking.

	Formula Grants	Traditional Competitive Grants	Emergency Relief/Stimulus Funding
Summary	Grants issued by the government (Federal or State) based on a specific formula outlined in the law or policy.	Traditional method of awarding grants where an agency or organization applies to a grant-maker by submitting an application. Grant-makers include the federal government, state governments, and charitable or corporate foundations.	Funding issued by the government (usually Congress) to assist with a broad issue
Flow of Funds	Each agency or organization receives their "fair share." The process is not competitive.	Competitive with other agencies/organizations that have applied	Funding usually flows to the states who are responsible for issuing to eligible organizations
Application Process	Public organizations may be required to apply for reporting purposes.	Application focuses on the project (not products) and is graded on certain criteria established by the grant-maker or law.	Can be in the form of formula or competitive grants. Organizations may be required to submit an application or document for reporting purposes.
Examples	• School district funding based on a Title I formula • City/County funding based on population	• The new Infrastructure Package will contain many competitive grants • Federal agencies issue annual competitive grants	• COVID relief funding (CARES Act, ARPA) • State relief funding to respond to the health pandemic
Average Timeframes	**Shorter Timeframe** **Prepare Documents:** 1 month **Awarding Period:** 3 months **Overall Sales Cycle:** 3-6 months	**Longer Timeframe** **Application Open:** 1-3 months **Awarding Period:** up to 6-8 months **Overall Sales Cycle:** up to 1+ year(s)	**Shorter Timeframe** **Prepare Documents:** 1 month **Awarding Period:** 3 months **Overall Sales Cycle:** 3-6 months