

Government Grant and Federal Assistance Vocabulary "Cheat Sheet"

Please Note:

In reviewing these descriptions, keep in mind that one type of grant does not necessarily preclude another. For example, an award that begins as a formula grant in Washington may turn in to a competitive grant opportunity when passed through to local government for funding distribution. Furthermore, almost every grant now requires a matching contribution.

Discretionary or Project

- Most popularly sought
- Designed to address policy needs that Congress has identified
- Is competitive
- Is for a fixed amount of time and a specific service
- Year-to-year availability is less reliable

Formula

- Non-competitive
- Distribution is based on formula and is for broad purpose
- Made to states or other unit of local government
- Can turn into competitive opportunity

- One well-known type is a block grant

Examples

include Department of Health and Human Services Community Development Block Grants (CDBG), and Department of Homeland Security Urban Areas Security Initiative (UASI)

Matching

- Requires recipient to contribute either cash services or facilities to match a percentage of the grant
- Used to encourage recipient to efficiently manage the program

Entitlement

- Requires the payment of benefits to any person or governmental unit that meets eligibility requirements as identified by law
- Generally to help low income individuals, economically depressed or disaster stricken communities, etc.

Examples

include the Social Security Administration's Supplemental Security Income (SSI) program, a Federal income supplement program funded by general tax revenues (not Social Security taxes) and the Department of Health and Human Service's Temporary Assistance for Needy Families (TANF) Program, which provides assistance and work opportunities to needy families by granting states federal funds

Other Types of Federal Assistance

Loans

- Not nearly as desirable as grants but more frequently the only type of assistance available
- Can have special government-provided benefits such as low-or no interest, lender projection against potential default, etc.

Examples

include Department of Housing and Urban Development's First Time Homeowner Loan Programs

Contracts

- Are competitive
- Different from grants because the government is directly purchasing specific services

Examples

include Department of Labor Job Training Contracts and Department of Defense Construction Contracts

Special Insurance Programs

- Provides financial assistance to assure loss reimbursement
- Provided directly through federal government or through private carriers
- May or may not require payment premium

Examples
include the National Flood Insurance Program