

PhilanTopic

March 27, 2009

Nonprofit Strategies for Tough Times: Economic Stimulus Act FAQ

(Michael Seltzer is a regular contributor to PhilanTopic. In his last post, he wrote about what philanthropy can do to ensure equal opportunity for all.)

While the media remains transfixed by the gyrations of the markets, the AIG bonus dustup, and the latest developments in *l'affaire* Madoff, the real action is occurring behind the scenes in federal office buildings around Washington, D.C.

Behind those doors, the federal government is moving at a speed unmatched in our lifetimes to revive the economy and get credit flowing. The American Recovery and Reinvestment Act (ARRA) includes \$787 billion in spending and tax provisions. The Stimulus Gravy Train has left the station.

The 400-plus pages of the act describe no less than thirty-four buckets of funding, including community development, alternative and sustainable energy, education, medical care, employment and job training, homelessness, women and children, nutrition and the arts.

How can nonprofits tap these new revenue streams, and what do foundations need to know about this massive influx of dollars? The following FAQ is meant to be a starting point. If you have other suggestions, we'd love to hear them (use the comments section below):

How quickly are things moving?

President Obama signed the bill on February 19, and the notoriously slow wheels of the federal bureaucracy began grinding away almost immediately.

Although a little more than a month has passed since the bill was signed into law, federal agencies have already begun to file weekly reports on the disbursement of funds allocated to them. By May 3, the same agencies are scheduled to make performance plans publicly available and to begin reporting their allocations for entitlement programs. By May 20, federal agencies are expected to begin reporting on their competitive grants and contracts, and by July 15 recipients of federal funding are required to begin reporting on their use of funds.

How do I find out which types of programs are eligible to receive funding?

In addition to the federal government's Web site (www.recovery.gov), you can go directly to your state government's recovery site. (See recovery.gov for a list of state sites, or google "state recovery plans.") Note: State Web sites are uneven when it comes to finding out how to apply for stimulus funds.

Sub-sector national organizations like [Americans for the Arts](#), the [Center for Community Change](#), et cetera are also tracking revenue streams important to their constituencies. That said, few funding streams are explicitly earmarked for nonprofit organizations; an exception is a new capacity-building program for nonprofits that's part of the SERVE America bill and will be administered by the [Corporation for National and Community Service](#).

In addition, congressional staff members are ready and able to serve as helpful guides and sources of information. Many state government officials can also be helpful, though that isn't necessarily the case across the board. (Some states will prefer to control the bulk, if not all, of the funding earmarked for them.)

Where do the decision-making powers lie?



Governor's offices are at the center of the action. Again, depending on the fiscal condition of individual states and the outlook of individual governors, entreaties from nonprofits will either be well-received or ignored. In the case of the latter, you might consider turning to your state legislators and/or the mayor of your community for help. According to the office of Rep. Jim Moran (D-VA), some grants and contracts will be awarded through competitive local, state, or federal processes, while others will be awarded based on existing formulas.

To what extent is the process political?

Expect nasty in-fighting in many state capitals and city halls as different special interest groups jockey for funds. Depending on the particular initiative, however, some nonprofits will be better positioned to carry out a cost-effective program in a timely manner, and legislators will find that difficult to ignore.

Where can I turn for assistance and counsel?

First stop is your local legislator's office. Network with peer organizations in either your own district or in other districts. And be sure to check with your local nonprofit or grantmakers association for current information.

Why should foundations be concerned about the unfolding process?

Many foundations have made substantial investments in areas that the stimulus package targets for investment. Those foundations are in a strong position to assist government officials in identifying well-established and recognized nonprofit organizations worthy of support. They can also advise on best grantmaking and reporting practices with an eye to minimizing red tape and streamlining procedures. Community foundations, women's funds, and other public foundations can also serve as funding intermediaries and may be able to provide matching dollars and needed technical expertise.

As I boarded the US Air shuttle earlier this week, an airlines attendant asked me if I was going to Washington for a "piece of that stimulus package." Who knows, maybe shuttle regulars will get used to seeing a new type of traveler on his or her way to the nation's capital -- the nonprofit stimulus bounty hunter working to bring home funds to benefit small and large communities across the land. That's a flight I want to be on.

Related Resources:

- [American Recovery and Reinvestment Act of 2009](#) (407 pages, PDF)
- [Recovery.org](#)
- [State recovery page](#)

Other resources:

- [Grants.gov](#)
- [OMBwatch.org](#)
- "[How the New Recovery Package Benefits Nonprofits](#)" (prodced by the Office of Rep. Jim Moran)
- "[Talking Points: Economic Recovery for Everyone: Racial Equity and Prosperity](#)"
(published by the [Center for Social Inclusion](#))

(Many thanks to Gary Bass of [OMB Watch](#), Chris Collins of Solar One in New York City, the office of Rep. Jim Moran, Rob Collier of the [Council on Michigan Foundations](#), and other members of the [Forum of Regional Associations of Grantmakers](#) for providing background information.)

-- *Michael Seltzer*

[Email this](#) • [Add to del.icio.us](#) • [Digg This!](#) • [Share on Facebook](#) • [Stumble It!](#) • [Twit This!](#)

Posted at 12:43 PM in [Current Affairs](#), [Economy](#), [Nonprofit Management](#), [Philanthropy](#) | [Permalink](#)
[ShareThis](#)

Technorati Tags: [Chris Collins](#), [Gary Bass](#), [Michael Seltzer](#), [Rep. Jim Moran](#), [Rob Collier](#)

TrackBack

TrackBack URL for this entry:

<http://www.typepad.com/services/trackback/6a00e0099631d0883301156e729888970c>

Listed below are links to weblogs that reference [Nonprofit Strategies for Tough Times: Economic Stimulus Act FAQ](#):

Comments

[Sign in or sign up for a free account \(optional\)](#).



[Edit Profile](#)

[Get a Profile](#)

[Activity](#)

[On this blog:](#)

[Overall:](#)

(You can use HTML tags like `` `<i>` and `` to style your text. URLs automatically linked.)

Email address is not displayed with comment.

Name

Email Address

Web Site URL

Post

Preview

POWERED BY  TypePad