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Grant Basics Series

Project Development & Funding

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Vermont League of Cities and Towns

VLCT's Municipal Operations Support Team

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2025 Grant Basics Series



4/9, Session I - Before the Grant

- ✓ Picking the right project
- ✓ Understanding roles
- ✓ Working as a team
- ✓ Assessing capacity
- ✓ Understanding grant readiness

6/3, Session II – Developing and Funding the Project

- ✓ Project development lifecycle
- ✓ Building a funding stack
- ✓ Project budgets
- ✓ Grants and how they work
- ✓ What funders want (and don't want) to see in applications
- ✓ Understanding local match
- ✓ Accessing capacity and filling gaps

8/5, Session III – The Application

- ✓ Understanding the grant landscape
- ✓ Grant Guidance: your pathway to success
- ✓ Telling your story through words and numbers
- ✓ Tips for a competitive proposal
- ✓ Common mistakes to avoid
- ✓ Adapting to new federal directions

10/21, Session IV – Grant Management

- ✓ Intro to grant management
- ✓ The grant agreement
- ✓ Grant implementation and management
- ✓ Monitoring and reporting
- ✓ Evaluation
- ✓ Grant closeout
- ✓ Best practices

Recording and slides for the Grant Basics series is posted in the VLCT Resource Library at <https://www.vlct.org/resource-library>.



Today's Topics

- Project Development Lifecycle
- Building a Funding Stack
- The Project Budget
- Grants and How They Work
- What Funders Want (and Don't Want) in an Application
- Understanding Local Match
- Accessing Capacity and Filling Gaps

The recorded training will be posted in the VLCT Resource Library at <https://www.vlct.org/resource-library>





We Have An Idea!



Project Development Lifecycle

- **Every project is unique!**

Even though project types can be similar, each one is unique in its characteristics, scope and outcomes

- **Is a project feasible?**

Some projects only require the completion of an early phase or two to determine if the project is feasible and what the budget might be.

- **Refining ideas into projects.**

As projects move through the phases of project development, the:

- Scope of work becomes more clearly defined,
- Budget estimates become more realistic , and
- Schedules and delivery become more certain.

Is the idea
a good one?

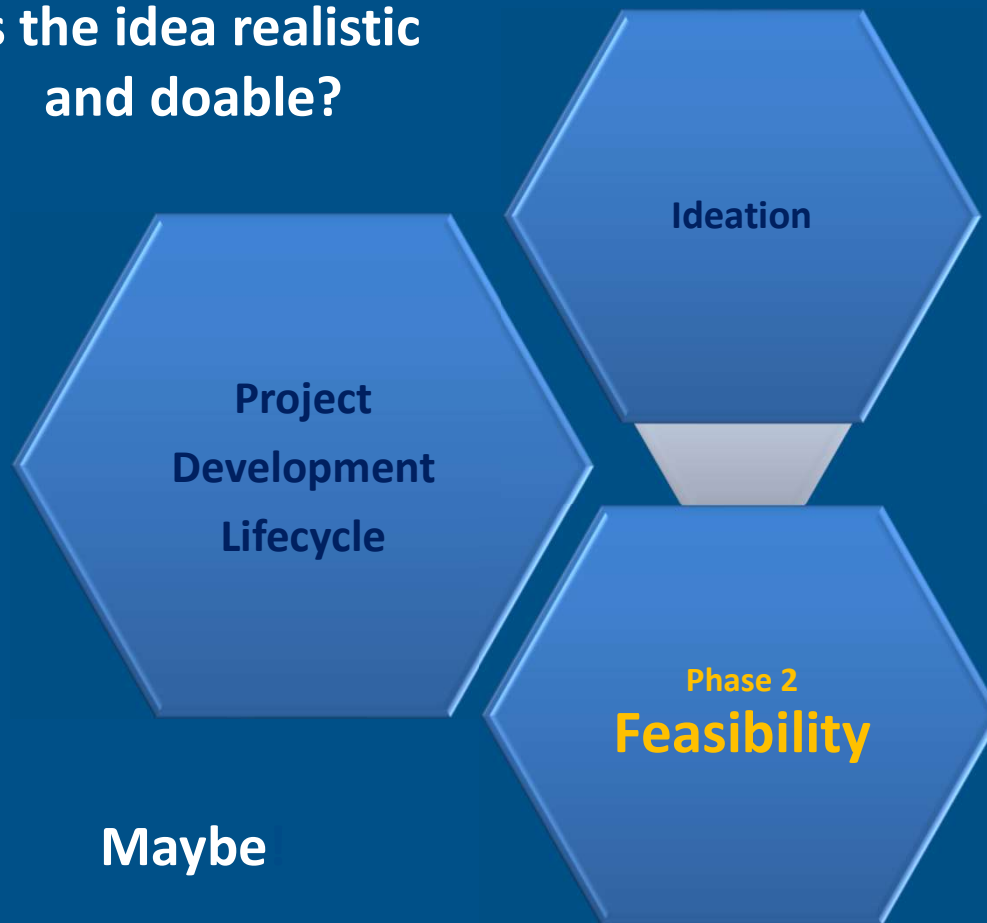
Phase 1
Ideation

Project
Development
Lifecycle

Maybe!

- Planning process
- Is it a local priority/need?
- Is there political will?
- Will there be resident impacts?
- Is it identified in your Town Plan or Capital Improvement Plan (CIP)?
- Other plans, studies or research?
- Is your community engaged and there is buy-in?
- ***Local capacity/bandwidth (staff, elected/appointed officials, volunteers)?***
- Resident communications
- Select project concept
- Decision point: Go/No-Go?
- Let's go!.....

Is the idea realistic
and doable?



- Alternatives analysis (site, permitting, early EA, access, \$, etc.)
- Conceptual design
- Preliminary cost estimate
- Identify potential funding sources
- Identify potential hurdles
- ***Local capacity/bandwidth (staff, elected/appointed officials, volunteers)***
- Resident communications
- Go/No-Go
- Let's Go....

**It *IS*
realistic
and
doable.
Let's Go!**



- ***Include your local capacity/bandwidth time commitment!***
- Create a resident communication plan & execute it
- Host project meetings
- Procure:
 - ✓ ***Project Manager***
 - ✓ Design team
 - ✓ Surveys
 - ✓ Environmental
- Complete legal review and other due diligence
- Develop the project design
- Cost estimates & budget
- Secure:
 - ✓ Permits
 - ✓ Agreements
 - ✓ Funding commitments
- Bidding & contractor procurement
- Ground-breaking ceremony?

Ever hear
the term:
**Shovel
Ready?**



- *Local capacity/bandwidth time commitment for project related tasks*
- Resident communication plan execution
- Contractor mobilization
- Notice to proceed; commencement
- Construction
- Project Management
- Contract administration
- Plan/schedule a ribbon cutting ceremony?

**Project
Complete.**

**Wait...
there's more?**



- *Local capacity/bandwidth time commitment for project related tasks*
- Continue resident communication plan execution
- Punchlist
- Inspections
- Certificate of Occupancy (if applicable)
- As-Builts; drawings & specs; O&M manuals
- Loan conversion (if applicable)
- Contract closeouts and final payments
- Warranty period



Congrats!
You are now the proud parent
of this project for its life.

Develop an asset management plan

- Annually funding reserves (don't defer)
- Planning and completing annual regular maintenance (don't defer)
- Making repairs as needed (don't defer)
- Scheduled capital improvements (don't defer)

*P.S.....If your municipality doesn't have a capital improvement plan/program (CIP)
....there is no time like the present to create one!*



PROJECT

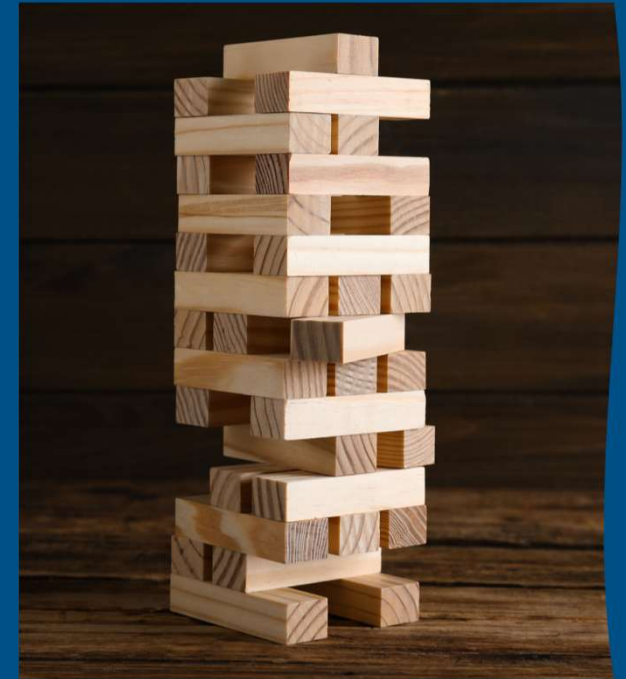
FUNDING

Building a Funding Stack

Building a Funding Stack

What does this mean?

- Most large projects often are not feasible using just cash on hand. The larger the project, the more types of funding you will need to complete it.
- The more funding types involved, the more complicated managing the project becomes
- Having a project pipeline driven by a Capital Improvement Plan/Program allows you to understand the fiscal impacts of a single project in the scope of other current and future municipal needs.
- Taking a longer-term view encourages funding decisions that are structured to support future financial needs.





Building a Funding Stack

Types of Funding

Understanding your options helps you manage your total financial landscape - both for the project and the municipality.

- Cash (you pay)
- Grants/Incentives (the greater “we” pays)
- Private Fundraising (someone else pays)
- Debt (you pay over time)

Types of Funding

Ca\$h

- Fastest, easiest way to fund a project
- Uses current revenues to pay current expenses
- Use current revenues to save for future expenses
 - Build balances in reserve funds - capital fund for buildings, infrastructure, and/or equipment, project-specific fund, grant match fund, etc.
 - Using the “saving” approach can help stabilize the annual municipal property tax rate
- Often used as local cost share (match) for grants





Types of Funding Grants

- Typically, involves a competitive process – “application,” “proposal,” “request for proposal”
- Are “awarded” for a specific amount and purpose
- Rare for them to cover the full project cost
- Are accompanied by a written “agreement” (think: contract) that includes terms, conditions and requirements (“strings”) that will be signed by the “CEO” of the municipality (legislative body or Town Manager)
- Most will not cover work that has already begun

Types of Funding

Private Fundraising

- **A cash contribution (a “gift”)** from a private entity (a “donor”) typically given for a specific purpose
- **You need a cause, not just a project** – donors want to make an impact for something they care about, so you need to craft your story.
- **You need a plan.** Private fundraising is more than just asking someone for money. You must identify, understand, and engage with potential donors. This can take time.
- **Major/large gifts** constitute most of the funds you will raise (think: “capital campaign”)





Types of Funding Debt

- Borrowed funds must be repaid, usually with interest – you are agreeing to use future revenues to pay a current expense
- You need to understand your capacity for incurring debt – the VT Bond Bank can help you with this
- Using debt can help a project move forward faster; this can decrease cost and allow infrastructure to be operational sooner

The Project Budget

- **What is a project budget?**
 - It is your project scope in a numbers format.
 - It's a plan of financial action.
 - It starts as estimates then gets refined and finalized as details solidify.
- **Is a grant budget different than a project budget?** Maybe.
 - A grant can fund the entire scope (ex. paving grant)
 - A grant can fund a part of the scope (ex. only the energy or accessibility improvements for a Town Office rehabilitation project)
- Understanding where your project's funding is coming from and what it pays for is critical.
- Check your math (more than once).



Project Readiness

Know When Your Project is Ready to Apply for Grants

- **Know where you are in your project's development lifecycle.**
 - Stakeholder engagement – Did it happen during feasibility? Do you need to do more before you apply?
 - Alignment with plans/get in the plan/get on the lists*
 - Have a project delivery schedule
 - Have a current, solid cost estimate
 - Have letters of intent for partner agreements, if applicable
 - Know whether, and what, environmental review and permitting requirements are.
- **Make sure your internal systems are ready to apply for and manage funding.**

Check out the 1st part of VCLCT's Grant Basics Series, "*Before the Grant*," on our [Recordings and Resources webpage](#) to access webinar, slides and Q&A.



Grants - Ideas, Tips and Best Practices

Identifying the Right Grants for Your Project

Advance notifications

- Typically provided 30-90 days before a federal grant opens
- Provides critical information about the funding and requirements, like:
 - Whether your municipality an eligible applicant.
 - Whether your project is a good fit with the types of activities the grantor funds (will it be competitive?).
 - If you must attend an application workshop
 - Data needed to support your application (beneficiaries, outcomes, outputs, metrics, etc.)
 - Supporting documents that will be required or are optional.
 - Whether the municipality must hold (and warn appropriately!) any public meetings.
 - If there is a community engagement component.
 - Reporting requirements – frequency and complexity.
 - Etc.



Grants - Ideas, Tips and Best Practices

Identifying and Closing Capacity Gaps

- Can you pull together all the required application components?
- Do you have the internal capacity to:
 - Track the grant funds accurately and separately if awarded?
 - Keep thorough and accurate documentation (executed contracts/agreements, design plans, invoices, cancelled checks, project meeting minutes, etc.)?
 - Have the necessary policies adopted, internal controls in place, systems, processes, procedures, etc. in place?
 - Complete regular, required progress reports to the funder?
- Will you need outside assistance, and if so, where will you get it? (Wait...wait....see next slide!)
- “Is the juice worth the squeeze?”



Grants - Ideas, Tips and Best Practices

Identifying and Closing Capacity Gaps (continued)

- **Grants require having capacity** not only to write and administer them but also to complete the project and maintain it over time.
- **You can add capacity** by:
 - Enlisting volunteers to help.
 - Hiring additional staff or sharing a position with another municipality.
 - Working with a service provider.
 - Retain a consultant.

VLCT has published ideas for increasing your municipalities capacity for grants: <https://www.vlct.org/resource/increasing-municipal-capacity-grants>.





Grants – Ideas, Tips and Best Practices

Is There an Art to Grant Writing?

(Yes. Yes, there is.)

Understand the funder:

Make your search engine your best friend...do your homework.

- What is their mission?
- Who is on their board as well as the leadership and staff? (or who is evaluation team)
- What types of projects do they fund?
- How are projects awarded? Is there a selection process and committee?
- What are the goals of the program you will apply for? Does your project meet them?
- Look at past award rounds. What projects were funded? Where are they located?
- Does everything you learned align with your project? If so, then...

Make yourself known.

- Who are the people (staff) administering the program? Get to know them.
- If you are unsure, don't guess. Ask questions if you have them.
- If the funder offers an application workshop, participate in it.
- Develop an elevator pitch for your project and repeat it to everyone

Grants – Ideas, Tips and Best Practices

Writing Strategies

Understand the application

- Read the application more than once.
(Tip: Read it 3 times. Print a hard copy and mark it up with a highlighter, margin notes and sticky notes!)
- Be aware of the application format (Word, PDF, email, online, snail, etc.)
(Tip: Get the application in Word format so you can easily make progress on it without losing your work.)
- Details matter. Pay attention to the required fields, elements and attachments.
(Tip: Make a checklist, if one isn't already included in the application materials.)
- Mark your calendar. If you miss the deadline, you've missed your chance (this time).
(Tip: Mark your calendar with multiple reminders and make a schedule for the application process due dates. Don't let them slip. Factor in vacations and holidays.)



Grants – Ideas, Tips and Best Practices

Writing Strategies

- Read the grant notice/application guidance entirely (remember 3's a charm!)
- Highlight requirements (for application; for the funding use; for award management).
- Pay close attention to how and where evaluation points are given.
- Make a list of supporting materials; have a plan for obtaining them.
- If the application is submitted through a portal:
 - Register and review the portal immediately.
 - Who must submit the application – the municipality's "Authorized Representative"?
 - Develop draft of application offline (in a Word doc) and enlist a reviewer.
 - Post information into the grant portal and upload information no less than 3 days before the due date. One week before is better.



Grants – Ideas, Tips and Best Practices

Writing Strategies

- Fill in organizational information first (to give yourself a sense of progress).
- Bullet key points for responses first, then write supporting details. Don't wordsmith the first draft, just mind dump and draft it!
- Answer only the questions asked. Use wording from the question in the application to start your answer.
- Spend most of your time on the questions where the most evaluation points are gained.
- Edit, Edit, Edit!!!
- Make sure your responses are concise, to the point, consistent and accurate.
- Acronyms – Should I use them? Maybe
- Avoid jargon and technical terms.
- Don't BS.
- Edit some more.

Grants – Ideas, Tips and Best Practices

The Grant Budget

- Budget for all activities mentioned; don't skimp in fear of sticker shock.
- Have a current cost estimate. Estimates more than 6-9 months old are stale.
 - Do not guess!
 - Remember to adjust for inflation and other increases.
 - Include contingencies.
- Budget for funder-required activities
- Recoup the cost of fringe benefits for municipal employees (this is not overhead!).
- Have notes for how you determined costs.
- Be aware of unallowable expenses and don't include them.
- Know how/where to present match activities
- Costs must be allowable, reasonable, and allocable

	Year 2	Year 3	Year 4	
	1,000,000	5,250,000	9,750,000	16,250,000
	20,000	100,000	200,000	250,000
	250,000	350,000	250,000	300,000
	10,000	50,000	100,000	100,000
	280,000	500,000	550,000	650,000
	28.0%	9.5%	5.6%	
ed to General & Administrative Expense				
	3	3	3	
	0	0	0	
	6,667	6,667	6,667	
	33,333	33,333	66,667	
	40,000	106,667		
	7			
	0			
	714	35,714		
	100	50,000		
		35,000		
		105,000		
		15%		
		15,750		
		120,750		

Grants - Ideas, Tips and Best Practices

What Funders Want (and Don't Want)

For the application:

- Follow the grant guidelines.
- Don't be disqualified for simple avoidable errors.
- Don't waste the funder's time on projects that don't meet the criteria.
- Explain your needs in terms of the funder's interests.
- Did we already say, "check your math"? If your budget numbers are off, you pay, not the funder.
- Funders want to fund projects that have deep impact, tell a great story, and look good in press releases.



Grants – Ideas, Tips and Best Practices

Understanding Local Match

- What is grant match? For federal funds, the definition is: [2 CFR 200.306](#).
- Types of grant match: cash, in-kind, third-party in-kind
- The “rules” around match:
 - Share the same restrictions as the grant award
 - Must be verifiable, necessary, reasonable, allowable in the budget
 - Generally, in-kind match must occur during the award period, unless otherwise allowable and approved by the grantor.
 - Donations in the form of discounted services are not allowed (conflict of interest)
- Match percentage, sources of match, and other requirements vary from program to program



Final thoughts



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FUND ACCOUNTING

Have questions?

LET US KNOW!



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