FREE GUIDE

Small Business Grants Guide: What Is Real (Free PDF)

A dated, plain guide to what small business grant funding really exists, the warning signs of a scam, a fit-check worksheet and a search log to fill in.

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> This guide sets out what grant funding for small businesses really exists, what is a scam and where to look. It names only what official government sites say, and it does not promise funding. The current instructions of each program or funder always come first.

Checked November 2026. Programs and rules change, so confirm on the official site.

The short version

- Grants for a business are far less common than advertisements suggest. Most business funding is loans, investment or revenue
- Real grants are competitive, have a specific purpose, need an application and come with reporting
- Nobody can guarantee you a grant, and you should not pay a fee to receive one

What is real

What SBA.gov says

The U.S. Small Business Administration states on SBA.gov that it does not provide grants for starting and expanding a business. It says its grants go to nonprofits, Resource Partners and educational organizations, including community organizations that promote entrepreneurship through counseling and training. Some SBA awards, such as the program SBA.gov calls STEP, are made to state and territory governments, not directly to businesses.

What this means for you: the organizations SBA funds may offer you free or low-cost counseling and training, and your state may run programs with federal money. Ask them what is open.

Federal research and development: SBIR and STTR

SBA.gov names two research and development programs, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), which encourage scientific research that helps meet federal research and development objectives. SBIR.gov, the official program site, says:

- The funding is awarded through participating federal agencies and is non-dilutive, which means the agency does not take ownership in your company
- To be eligible, a company must be a for-profit entity located in the U.S., be under the program's employee limit, and be owned and controlled by U.S. citizens or permanent residents. Extra restrictions apply to venture capital ownership
- The main difference between the two is that for STTR the small business must formally partner with a research institution
- The work runs in phases. Phase I is used to create a proof of concept, Phase II continues that research, and Phase III is commercialization in the private sector with no SBIR or STTR funding

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- You need a Unique Entity ID from SAM.gov to receive an award, and you should read the entire solicitation before you apply

These programs pay for research and development on a topic an agency has asked for. They do not pay for general start-up or running costs.

Other federal grants

The Federal Trade Commission says the only place to find a list of all available federal grants is Grants.gov, and that you can learn more there for free. Read the eligibility section of each notice. Many federal grants are open to governments, schools and nonprofits and not to for-profit businesses.

State and local economic development programs

States, counties and cities run their own programs for businesses. These differ by place and change often, so this guide does not name any. Look on your state economic development agency's official website and your city or county business office, and ask what is open for a business of your type, size and location.

Private competitions and corporate programs

Some companies, foundations and universities run business plan competitions and small grant programs. Treat each one as a contest with rules. Read the official rules on the organizer's own website, check who is eligible and what you give up by entering, such as rights to your idea or publicity.

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What is a scam

The Federal Trade Commission's consumer advice says offers of free money from government grants are scams, and that real government grants require an application and are always for a very specific purpose.

Warning sign	What the FTC says
A call, text, email or social media message says you qualify for a government grant	The government will not get in touch out of the blue about grants
You are asked to pay to get the grant	No government agency will contact you to demand that you pay to get a grant
You are asked to pay by cash, gift card, cash reload card, wire transfer or cryptocurrency	Government agencies never ask for payment in these ways
You are offered a list of government grants for a fee	Do not pay for a list of government grants, and do not pay up-front fees

Also be careful when an offer says approval is certain, pushes you to decide today, or asks for bank details to "deposit" an award. The FTC asks people to report grant scams at ReportFraud.ftc.gov.

Where to look

- [ ] SBA.gov grants page, to confirm what SBA does and does not fund
- [ ] SBIR.gov, if we do research and development on a new technology
- [ ] Grants.gov, reading the eligibility section of each notice
- [ ] Our state economic development agency's official website
- [ ] Our city or county business or economic development office
- [ ] A local small business counseling or training organization
- [ ] Official rules pages of competitions in our industry or region

Fit-check worksheet

Complete this before you spend time on any application.

Opportunity name:

Who runs it, and the official site where we confirmed it:

What the money must be used for:

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What we would use it for:

Question	Yes or no	Notes
Is a for-profit business of our type eligible?		
Do we meet the location, size and ownership rules?		
Does our planned use match the stated purpose?		
Can we meet any match, reporting or registration rules?		
Is applying free, on an official site?		
Do we have time to prepare before the deadline?		
Is it clear of every scam warning sign above?		

Decision (apply, wait or drop) and why:

Search log

Date	Source checked	Opportunity	Eligible (yes, no, unsure)	Deadline	Next step

> **Want help with this?** The Complete Grant Architect is a free 16-week grant writing course, and you can hire a grant writer for your next proposal. Both are at subthesis.com.

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