USDA Rural Development
Rural Business Development Grant

Application Toolkit

# Background

USDA Rural Development is charged with assisting in the startup, development, and expansion of small and emerging businesses and/or non-profits in rural communities. Rural Development supports this portion of the overall mission through two grant programs, the RBEG and RBOG programs.

The Agency combined 7 CFR part 1942, subpart G and 7 CFR part 4284, subpart G into the RBDG rule at 7 CFR part 4280, subpart E. Rural Development has also integrated applicable general provisions of 7 CFR part 4284, subpart A into the RBDG rule. Essentially, the Agency did not change any of the requirements of either program but blended the two regulations into one and eliminated duplicative portions so that there is only one set of requirements. The Agency also combined definitions so that the public has one definition for both programs as well as blended the scoring requirements of both former regulations. Finally, the Agency blended the application processes into one streamlined set of procedures under the RBDG funding, incorporating the statutory language of the 2014 Farm Bill (7 U.S.C. 1932(c)) specifying how the funding would be split.

Rural Development makes RBDGs to public bodies, non-profit corporations and federally recognized Indian Tribes so that they may support the development and/or expansion of small and emerging businesses in rural communities.

Enterprise Grant type funds may be used to: Acquire or develop land, buildings, plants, equipment; access streets and roads, parking areas, utility extensions, necessary water and supply and waste disposal facilities; provide technical assistance; establish revolving loan funds; and to create, expand, or operate rural distance learning programs that provide educational, or job training instruction related to potential employment or job advancement to adult students.

Opportunity Grant type funds are made to public bodies, non-profit corporations and federally recognized Indian Tribes to analyze rural business (small and emerging or larger business) opportunities, identify and/or provide training opportunities to rural entrepreneurs, conduct leadership development, establish training or technology centers and conduct technical assistance or area-wide planning activities.

Grant funds may be used for projects identified as either business opportunity type grants or business enterprise type grants. The Agency will set aside 10 percent of its RBDG appropriation for business opportunity type grants. The Agency reserves the right to reallocate funds set aside for business opportunity type grants to business enterprise type grants if it becomes apparent to the Agency that there is insufficient demand for the funds set aside for the business opportunity type grants.

Please provide a scanned copy of your complete application to amy.cowley@usda.gov or you may mail an original copy of the complete application package to:

USDA Rural Development

Business & Cooperative Programs

100 USDA, Ste. 108

Stillwater, OK 74074

USDA Rural Development home page is: <http://www.rd.usda.gov/>

USDA Rural Development Oklahoma home page is: <https://www.rd.usda.gov/ok>

# Checklist

Before submitting your application, please ensure that you have completed the following:

SAM Registration

All applicants for Federal grant funding must register in the Central Contractor Registration (CCR) database, or its successor database, known as the System for Award Management (SAM), at <https://www.sam.gov>, whether applying electronically or by paper, and at no cost. Registration may take 1-1.5 hours to complete and requires a tax ID and business name, statistical and financial information about the business (including number of employees and annual receipts for each of previous 3 years), and Electronic Funds Transfer information for payment of grant disbursements to grantee (Routing #, Account #, ACH contact).  Registration activation will take 1-5 days with an established tax ID; OR 2-5 weeks if a new Employer Identification Number is used.  A UEI number and expiration date will be provided when the registration is activated and must be included in your RBDG application information. For technical assistance, call the toll-free assistance line at 1-866-606-8220 and press “1.”

Enter the UEI number and expiration date in field 5(a), “Federal Entity Identifier,” on Form SF-424.

This registration must remain active, with current information, at all times during which an entity has an application under consideration by an Agency or has an active Federal Award. To remain registered in the database after the initial registration, the applicant is required to review and annually update its information in the database to ensure it is current, accurate and complete.

Required Forms:

[ ] Form SF-424, “Application for Federal Assistance”

[ ] Form SF-424A, “Budget Information-Non-Construction Programs”

[ ] Form RD 400-4, “Assurance Agreement”

[ ] RD Inst. 1940-Q, EXH A-1, “Certification for Contracts, Grants, & Loans” (If applicable or for applications greater than $100,000)

Environmental Requirements:

[ ] Environmental Information Packet: Consult USDA for project appropriate material.

If your project involves construction of a new building or renovation of an old building, please contact your State Office.

Non-Profits: Include in Appendix A:

[ ] Organizational Documents (Including any articles or amendments)

[ ] Current (within 12 months) Certificate of Good Standing issued by the appropriate Secretary of State.

[ ] Board Resolution authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant documents.

Public Bodies: Include in Appendix A:

[ ] Documentation of organization (dated established if other than city, county, or state government).

[ ] Resolution passed by the governing board authorizing entity to apply and administer the RBDG, including the name and title of the person authorized to sign grant documents.

Section 1. Summary Information:

[ ] Legal name of applicant

[ ] Requested Grant Amount

[ ] Unique Entity ID #

[ ] SAM Registration Cage Code and Expiration Date

[ ] Certification of Relationship to RD employee

[ ] Certification of serving rural areas

[ ] Certification of Citizenship

[ ] Certification of assisting small and emerging businesses (Enterprise Grant only)

Section 2. Applicant Type:

[ ] Non-profit Corporation

[ ] Public Body / Municipality

[ ] Federally Recognized Native American Tribe

Section 3. Project Eligibility:

[ ] Business Enterprise Project OR [ ] Business Opportunity Project

[ ] Demonstration of Need [ ] Demonstration of Need

[ ] Clear identification (list) of Small and [ ] Economic Development Result

Emerging Business(es) to be assisted [ ] Local and Area Strategic Plans

[ ] Suggested Performance Criteria [ ] Suggested Performance Criteria

Section 4. Scope of Work should include the following:

[ ]  Project Type / Description: RLF, Tech Assistance, Site, Feasibility Study

[ ]  Proposed Activities to be Accomplished

[ ]  Timeframe for Individual Activity Completion

[ ]  Timeframe (months) to Project Completion

[ ]  Timeframe from Grant Approval to Project Start

Checklist Continued:

Section 5. Written Narrative should include the following:

[ ]  Project Need

[ ]  Project Benefits

[ ]  Demonstrate Project Meets Eligible Grant Purpose

[ ]  Area(s) to be Served (be specific)

[ ]  Project Coordination with Area Economic Development Plans (If applicable)

[ ]  Goals to be Accomplished

[ ]  Identify Business(es) to be Assisted (if appropriate)

[ ]  Economic Development to be Accomplished

[ ]  Summary: How the Project will result in Created, Saved or Supported Jobs

[ ]  Quantify: Jobs Created, Saved and/or Supported for next 3 Year Period

[ ]  Description of Applicant Experience – Demonstrated Ability – Key Staff that Support Project

[ ]  Description of Project: Use of Organization Staff; Consultants; Contractors or Other

[ ]  Detailed Work Plan and Budget

 Please attach the following documents to your application package:

[ ] Appendix A – Organizational Documents §4280.427(b)

[ ] Appendix B – Latest 3 Years Financial Information §4280.427(e)

[ ] Appendix C – Supplemental Funds Verification §4280.427(g)

[ ] Appendix D – Letters of Commitment from Businesses to be assisted (include jobs saved/created)

 Letters of Support §4280.435(h)

 [ ] Appendix E – Additional Supporting Documentation

Rural Business Development Grant Instructions: [RBDG Instruction](https://www.rd.usda.gov/sites/default/files/RD-Inst-4280E-RBDG-Update-Final.pdf)

Application Template

Section 1: Summary Information

Legal Name of Applicant:

(Verify from Articles/Bylaws)

Requested Grant Amount: $

Applicant Type–Check One:

[ ] Nonprofit Entity [ ] Public Body/Government Entity [ ] Federally recognized Indian Tribe

Project Type – Check One:

[ ] Enterprise Grant [ ] Opportunity Grant

UEI #

SAM/CCR Registration Cage Code:       Expiration Date:

Jobs Summary: [Provide a summary of jobs on an FTE basis “prior to” and “projected at Year 3”]

 Full Time Part Time

|  |  |  |
| --- | --- | --- |
| Current- Existing # of jobs | 0 | 0 |
| Projected jobs to be created as a result of this project | 0 | 0 |
| Projected jobs to be saved as a result of this project | 0 | 0 |

Businesses Assisted Summary:

 Number of Businesses

|  |  |
| --- | --- |
| Total Small Businesses to be assisted: | 0 |

**1** Small and emerging private businesses in rural areas consist of 50 or fewer employees and less than $1 million in gross revenue.

Project Summary and Scope of Work

Please attach a complete and concise project summary and scope of work to your application. This should include a complete description of the project, activities and timeline as well as the need for the project, areas to be served, business(es) assisted, job creation and applicant experience (key personnel). Please include a description of how the project will be executed, evaluated, the major impacts and elements of the project.

All Grant Applicants – Complete certifications 1 – 3.

1. Relationships to RD employees

To assure the high standards of honesty, integrity, and impartiality maintained by Rural Development employees, we need to identify any Rural Development assistance to be provided to employees, their relatives, or their business or close personal associates. This includes insured or guaranteed, loans or grants to individuals or organizations. If you know of any relationship or association you (the applicant) may have with a Rural Development employee, please provide this information, or advise if there is none. Your response will allow us to make special provisions for processing but will not affect your application status.

Immediate family, other relatives or close associates who are USDA Rural Development employees, if any, are listed here

If none, indicate here

2. Rural Location

Applicant (grantee) organizations may be located in “rural” or “non-rural” communities. Benefitting business (es) must be located in a rural community with a population of 50,000 or less population and not located in a city or town located within the urbanized area contiguous and adjacent to a city or town with a population over 50,000. You may verify rural eligibility of benefitting business (es) using the [Rural Eligibility Website](https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=RBSmenu). Note your agreement here that all business(es) to be served will be located in eligible rural area(s).

3. Citizenship Requirement

All business (es) assisted with grant funds must be at least 51 % owned by U.S. citizens or resident aliens (persons legally admitted for permanent residence). Note your agreement here that all proposed businesses assisted will be at least 51 % owned by U.S. citizens or resident aliens

Enterprise Grant Applicants Only

4. Small and Emerging Private Business Enterprise Requirement

Enterprise Grant Funds. All businesses assisted with RBDG enterprise grant funds must meet the following definition: “Any private business which will employ 50 or fewer new employees and has less than $1 million in projected gross revenues.” Note your agreement here that all business (es) assisted will meet the RBDG program definition of small and emerging private business enterprise

5. Development of Small & Emerging Private Businesses - §4280.417(b)(2)

[Describe how grant funds will be used to assist and/or develop Small and Emerging Businesses in Rural Areas. Supporting documentation may be included in Appendix E]

6. Revolving Loan Fund Requests Only - §4280.453

RBDG Revolving Loan Funds are processed in accordance with Subpart 4274-D, Intermediary Relending Program and serviced in accordance with Subpart 1951-R. RBDG revolving loan funds are limited to financing no more than 75% of total project costs. Applicants must identify in the Project Budget the minimum 25% non-federal leverage funds.

Use of Funds: All Agency funds must be used for the purpose of making eligible loan(s). Loans cannot exceed 75% of total project costs in accordance with §4274.331(b)(2).

RLF Operating Budget: RLF applications must include an Annual Budget in accordance with §4274.332(b)(2). RBDG revolving loan fund initial administrative costs are the responsibility of the applicant. As loans are repaid, principal and interest are the basis of the continuation of the revolving loan fund. Subject to an approved Operating Budget, interest collected may be used to offset administrative costs of the Loan Fund.

Opportunity Grant Applicants Only

7. Economic Development Result - §4280.417(b)(1)

Opportunity Type Grants may be made only when there is reasonable prospect that the project will result in economic development of a rural area.

[Describe the economic development that will occur as a result of the proposed project. Include demonstration of project sustainability. Supporting Documentation can be inserted in Appendix E]

8. Consistency with Local and Area Strategic Plans - §4280.417(d)

Grants may be made only when the proposed project is consistent with local and area-wide strategic plans for community and economic development, coordinated with other economic development activities in the project area and consistent with USDA Rural Development State Strategic Plan.

 [Describe how the project coincides with local or regional strategic plans. Supporting Documentation can be inserted in Appendix E]

Scoring Criteria:

All applications are scored based on the criteria identified in the Notice published in the Federal Register on December 4, 2023 as well as RD Instruction 4280-E, 4280.435. Applications that do not address the scoring criteria in the project summary or include proper documentation generally do not score well.

Project Budget Summary

Summarize the total project budget by task. Project should be completed within 1 full year after it has begun. Insert additional rows as needed or attach a detailed budget to your application packet.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Activity # | Task Name and Description | Start Date | End Date | RBDG Funds | Supplemental Funds | Total Project Costs |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | TOTAL PROJECT |  |  | $ | $ | $ |

Sources of Funding

[Identify sources and amounts of matching funds. Provide written verifiable commitment of funds from other sources. An authorized representative of the organization contributing funds from another source must provide evidence that the funds are available and will be used for the proposed project. Verification of matching funds documentation should be as an Appendix.]