

RD AN No 4761 (1942-A, 3570-B, and 3575-A)  
May 2, 2014

TO: State Directors  
Rural Development

ATTN: Community Programs Directors

FROM: Tony Hernandez /s/ *Tony Hernandez*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Financing Thrift Store Projects Using Community Facilities Funds

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) is being issued to provide guidance to Rural Development staff regarding financing of thrift store projects with Community Facilities (CF) loan or grant funds. This AN provides clarification on the necessary components for a thrift store project to be eligible for CF program funding.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN 4706 (1942-A, 3570-B, and 3575-A), dated January 18, 2013, which expired on January 31, 2014.

**IMPLEMENTATION RESPONSIBILITIES:**

While the specific activities of a thrift store may vary from region to region, there are some activities that each should have to be considered an essential community facility. It is the Agency's position that the thrift store must accomplish charitable purposes and include other components necessary to enrich the quality of life for local residents such as:

EXPIRATION DATE:  
April 30, 2015

FILING INSTRUCTIONS:  
Preceding RD Instructions  
1942-A; 3570-B; and 3575-A

1. The thrift store should collect and resell used or donated merchandise to the community's residents. The thrift store may also provide other services such as job training or food pantry services.
2. The thrift store should receive donations, gifts, or bequests of money to help fund the organization and its purposes. In order to differentiate between a business venture and a charitable operation, it is important that a significant portion of the merchandise be obtained through donations from the "community" that it serves. This requirement helps to demonstrate significant ties to the local rural community.
3. The profits or excess revenues from the thrift store should be reinvested in the facility or in charitable community activities in the local service area. The reinvestment of proceeds to assist the community helps to ensure that the goals of the organization are met and also demonstrates significant ties to the local rural community.

If you have any questions, please contact Karen Safer, Community Programs, by phone at (202) 720-0974, or by fax at (202) 690-0471.