

Socially Disadvantaged Groups Grant (SDGG) Frequently Asked Questions (FAQs)

Where can I find more information about SDGG?

You can find more information on SDGG on the [USDA Rural Development website](#).

What is a Socially Disadvantaged Group?

You can find the definition of a Socially Disadvantaged Group in the current Federal Register notice for this fiscal year.

A Socially Disadvantaged Group is a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

What is a conflict of interest when applying for SDGG funds? Can an applicant use SDGG grant funds to pay cooperative board members?

You can find the definition of conflict of interest in the current Federal Register notice for this fiscal year.

If a cooperative or group of cooperatives is the applicant, the cooperatives themselves or the applicant's board members, cannot receive SDGG funds which benefit them financially. Cooperatives or group of cooperatives, as an applicant, can use SDGG funds to pay contractors (not members of the cooperative nor the cooperatives board of directors) to provide technical assistance. Below are examples of conflicts of interest:

- using grant funds to pay a member of the applicant's board of directors, employees, family members, consultants, and contractors to provide proposed technical assistance to socially disadvantaged groups.
- paying a cooperative member to provide proposed technical assistance to other members of the same cooperative and paying an immediate family member of the applicant to provide proposed technical assistance to socially disadvantaged groups.

What organization would qualify as a cooperative for the SDGG grant?

You can find the definition of cooperative in the current Federal Register notice for this fiscal year.

What organizations are eligible to apply for SDGG?

Eligible applicants are individual cooperatives, groups of cooperatives, and cooperative development centers. The funds are strictly for cooperative development technical assistance to socially disadvantaged groups in rural areas. SDGG applicants must be looking to form cooperatives (or mutually owned businesses) or be existing cooperatives (or mutually owned businesses). Please read definitions of terms in the Federal Register notice for this fiscal year.

Can a center apply for both Rural Cooperative Development Grant (RCDG) and Socially Disadvantaged Groups Grant (SDGG) programs in the same year?

Yes, but the applicant should carefully document work plans for separate projects in each program's application submission. Applications must meet the program requirements as per the Notice for each of the programs.

When applicants apply to RCDG and SDGG programs, the review of their grant applications will be done simultaneously to ensure there are no duplicative or overlapping activities.

If an Agency reviewer cannot discern if the projects overlap or are duplicative, the application can be determined eligible.

Can projects in the application workplan serve co-ops in urban areas?

SDGG funds must serve rural areas. Projects in urban or non-rural areas (use [USDA RD Eligibility Mapping Tool](#)) are not eligible.

Can co-ops receiving technical assistance have both urban and rural members?

Projects must be in rural areas but may include members that do not reside in a rural area.

Are entities located outside the United States and its territories eligible to apply for SDGG?

No, applicants must be located within the United States or its territories to be eligible for SDGG. The applicant can be conducting technical assistance in urban areas but the beneficiaries must be located in the rural areas.

The Federal Register notice states that cooperative members residing in the United States with permanent residence can receive grant support.

What is a Socially Disadvantaged majority?

- To be an eligible applicant, the majority members of the applicant's board of directors or governing board must be comprised of a majority (greater than 50 percent rounded to the nearest tenth) of Socially Disadvantaged Groups.
- To be an eligible recipient of SDGG Technical Assistance, the majority of members must be comprised of a majority (greater than 50 percent rounded to the nearest tenth) of Socially Disadvantaged Groups.

Are production expenses or activities eligible?

No, please refer to the current Federal Register notice on funding restrictions.

Is sam.gov registration required at the time of application?

Yes. If you are having difficulty, you can reach out to the SDGG program manager or [nearest Rural Development state office](#). Be sure to include documentation of the sam.gov difficulties when you submit your SDGG application.

Why are some terms or words capitalized within the Federal Register notice?

The Federal Register notice has defined terms capitalized throughout the Notice.

Can an applicant submit the application prior to the closing date for review?

We recommend applicants reach out early to your [nearest Rural Development state office](#) to discuss the project. Applicants may submit an application for review to the Rural Development state office to determine the availability and timeline for obtaining feedback.

Can SDGG funds pay for office equipment, office furniture, working capital, purchase or lease of a building, or renovations?

No, the purpose of this program is to provide technical assistance, which means an advisory service like teaching or training for socially disadvantaged groups in rural areas.

A standalone Tribe plans to apply for the SDGG. The Tribe is not a cooperative, group of cooperatives, or cooperative development center. Is it eligible?

No, a standalone Tribe may not apply for the SDGG. Eligible tribal applicants include tribally owned businesses, tribal authorities, tribal non-profits, or tribal colleges or universities that qualify as one of the three permissible entity types, Cooperative, Group of Cooperatives, or a Cooperative Development Center. Please review these entity types within the definition section of the notice to gain clarity.

Is being involved with the criminal justice system a legitimate disadvantage for this program?

Involvement in the criminal justice system or incarceration does not alone meet the Federal Register's notice definition of socially disadvantaged. However, statistics may show that individuals with involvement with the criminal justice system may fit the Socially Disadvantaged Group definition on race, ethnic, or gender prejudice.

You can find additional information about socially disadvantaged groups in the Federal Register notice definitions. A group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

As an applicant, will we receive a score or feedback on our application?

Yes, unsuccessful applications will receive comments on how they might improve their application for the next cycle.

If awarded with an SDGG, when can we start receiving grant funds?

This program operates on a reimbursement basis. Applicants should plan their workplan and budget accordingly.

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