

Rural Business Development Grants (RBDG)

Immediate Measures to Support Rural Communities Affected by COVID-19

Did you know eligible applicants can use RBDG funding to help those affected by COVID-19? Learn how a Kentucky community college purchased a 3D printer to use for some of its manufacturing courses and has now made more than 500 face masks for medical professionals. [Learn more.](#)

What does this program do?

RBDG is a competitive grant designed to support the development or expansion of small and emerging businesses in rural areas through targeted technical assistance, capitalization of a revolving loan fund, certain site or facility development; or business opportunity projects. Small and emerging businesses are defined as those that have fewer than 50 employees and less than \$1 million in gross revenues.

Who may apply for this program?

Rural public entities including, but not limited to:

- Towns
- Communities
- State agencies
- Authorities
- Nonprofit Corporations
- Institutions of Higher Education
- Federally recognized Tribes

NOTE: The application deadline for FY 2021 is March 31, 2021.

What is an eligible area?

RBDG funds must be directed for projects benefitting rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more. [Check eligible areas.](#)

How much funding is available?

There is no maximum grant amount for enterprise or opportunity type grants; however, smaller requests are given higher priority. Generally, grants range from \$10,000 up to \$500,000. There is no cost sharing requirement, but a match will improve application competitiveness. Total opportunity type grant funding is limited statutorily to an amount no greater than 10% of the total RBDG annual funding.

How may funds be used?

Enterprise type grant funds can be used for a wide variety of activities that support or develop small and emerging businesses through assistance with problem solving, supportive infrastructure, or loan capital. (4280.417(a)(2)).

Opportunity type grant funding may be used to establish business support centers, provide for a variety of training opportunities, or identify and analyze business opportunities. (4280.417(a)(1)).

How are applications evaluated for competitive funding?

RBDG applications compete at the state office level, which are dependent on appropriations. Subject to budget appropriations, funds may be reserved for projects located in persistent poverty or Tribal areas.

All applications are evaluated based on:

- Evidence showing job creation to occur with local businesses;
- Percent of nonfederal funding committed to the project;
- Economic need in the area to be served;
- Consistency with local economic development priorities;
- Experience of the grantee with similar efforts; and
- Other factors described in the current Notice of Solicitation of Applications (NOSA), published on February 4, 2021.

How do we get started?

Applications are accepted through USDA Rural Development's local or State offices once per year. Applicants are advised to view program information specific to your local or State office to learn about local application timelines, concept paper requirements, etc.

Grant awardees will need to complete required paperwork and comply with the terms and conditions of the award. Contact your local or State office for details.

Who can answer questions?

Contact your local or State offices.

Why does USDA Rural Development do this?

This program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses, help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBDGs may fund a broad array of activities.

NOTE: Because citations and other information may be subject to change, please contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. *USDA is an equal opportunity provider, employer, and lender.*