

USDA Rural Development
Rural Business Development Grant
Application Toolkit

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Background

The Congressional mandate established by Congress in the Agricultural Act of 2014 (2014 Farm Bill) requires USDA Rural Development to establish a new program called the Rural Business Development Grant (RBDG) which combines the former Rural Business Opportunity Grant (RBOG) and Rural Business Enterprise Grant (RBEGr). The Agency has made no substantive changes to either program when combining the regulations into one RBDG program.

USDA Rural Development is charged with assisting, among other entities, the startup, expansion and continuation 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 RBEGr and RBOG programs.

Rural Development makes RBEGr to public bodies and non-profit corporations so that they may assist small and emerging businesses and/or non-profits in their communities to create and support jobs. RBEGr 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.

RBOG funds are made to public bodies and non-profit corporations to assist businesses and/or non-profits in their communities. RBOG funds may be used to assist in the economic development of rural areas by providing technical assistance, training, and planning for business

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.

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.

Section 6121 of the 2018 Farm Bill enables the USDA Rural Development to provide priority points to projects that support strategic economic and community development plans. The result of that is the provision called Strategic Economic and Community Development (SECD). The purpose of Section 6121 is to advance projects which support long-term community and economic growth strategies that reflect both multi-jurisdictional stakeholder collaboration and capitalize upon the unique strengths of the rural area.

By creating a regional focus and increasing collaboration across Rural Development agencies and programs, USDA resources can have a larger impact, enabling greater wealth creation, and quality of life improvements. To be eligible for Section 6121 priority points, the applicant must be eligible for the underlying program, the project must be carried out solely in a rural area and support a multi-jurisdictional strategic economic community development plan.

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USDA Rural Development Kansas will start taking RBDG applications on **January 6, 2020**. The RBDG application deadline will be **February 28, 2020**. Applications must be received by the USDA Rural Development State Office in Topeka, KS, **no later than 4:30 pm on February 28, 2020** to be considered for any anticipated funding.

Provide one original complete application package to the USDA Rural Development State Office in Kansas at the following address:

**USDA Rural Development
Attention: Nancy Pletcher
1303 SW First American Place, Suite 100
Topeka, KS 66604-0404**

RBDG applications can be emailed to the agency; however, **the application must be sent as a Microsoft Word document**, an Adobe pdf document will not be accepted. Application attachments may be emailed as scanned documents and do not need to be saved in Microsoft Word. Please clearly indicate in the subject line of your email “RBDG Application attached”. Required forms must be mailed with original signatures. Please set up your document to number the pages when printed.

Contact to discuss the Rural Business Development Grant program or the application process:

State Office in Kansas

USDA Rural Development

Nancy Pletcher

Area Specialist

Topeka Office

(785) 271-2733

nancy.pletcher@ks.usda.gov

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

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

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Checklist

Before you submit your application, please be sure you have addressed all of the following elements.

Required forms

- ☐ Form SF-424, "Application for Federal Assistance"
- ☐ Form SF-424A, "Budget Information-Non-Construction Programs"
- ☐ Form SF-424B, "Assurances - Non-Construction Programs"
- ☐ Form SF-424C, "Budget Information -Construction Programs"
- ☐ Form SF-424D, "Assurances - Construction Programs"
- ☐ Form RD 400-1, "Equal Opportunity Agreement"
- ☐ Form RD 400-4, "Assurance Agreement"
- ☐ Form AD 1047, "Certification Regarding Debarment"
- ☐ Form AD 1049, "Certification Regarding Drug Free Workplace"
- ☐ RD Inst. 1940-Q, Exh A-1, "Certification for Contracts, Grants, & Loans"
- ☐ Form RD 1940-20, "Request for Environmental Information"
- ☐ Form AD-3030, "Representations Regarding Felony Conviction and Tax Delinquency Status for Corporate Applicants"
- ☐ If you are a non-profit private organization (not including private universities) please complete the "USDA Survey on Ensuring Equal Opportunity for Applicants" OMB No. 1890-0014.

Non-Profits Also Include in Appendix A

- ☐ Articles of Incorporation (including any amendments)
- ☐ Bylaws (including any amendments)
- ☐ Certificate of Good Standing issued by the Kansas Secretary of State. Certificate should be less than one year old.
- ☐ IRS letter granting non-profit standing
- ☐ Resolution passed by the board authorizing entity to apply and administer the RBEG/RBOG, including the name and title of the person authorized to sign grant documents.

Public Bodies Also Include in Appendix A

- ☐ Documentation of organization (dated established if other than city, county, or state government).
- ☐ Resolution passed by the board authorizing entity to apply and administer the RBEG/RBOG, including the name and title of the person authorized to sign grant documents.

Indian Tribes Also Include in Appendix A

- ☐ Constitution (and any other appropriate documents).
- ☐ Resolution passed by the Tribal Council authorizing the entity to apply and administer the RBEG/RBOG, including the name and title of the person authorized to sign grant documents.

Strategic Economic and Community Development Priority Points

- ☐ Form RD 1980-88 Strategic Economic and Community Development Priority
- ☐ Strategic Economic Development Plan in Appendix G

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Section 1. Summary Information

- ☐ Legal name of applicant
- ☐ Requested Grant Amount
- ☐ DUNS #
- ☐ 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 businesses (RBEG only)

Section 2. Applicant Eligibility

- ☐ Applicant Type

Section 3. Project Eligibility

- ☐ Business Opportunity Project
 - ☐ Demonstration of Need
 - ☐ Economic Development Result
 - ☐ Local and Area Strategic Plans
 - ☐ Suggested Performance Criteria
- ☐ Business Enterprise Project
 - ☐ Demonstration of Need
 - ☐ Development or Financing of Small & Emerging Business
 - ☐ Suggested Performance Criteria

Section 4. Written Narrative

- ☐ Project Need
- ☐ Project Benefits
- ☐ Eligible Grant Purpose
- ☐ Area to be Served
- ☐ Coordination with Area Economic Development
- ☐ Goals to be Accomplished
- ☐ Jobs Created/Saved
- ☐ Applicants Expertise
- ☐ Method and Rationale to Select Service Recipients
- ☐ Work Plan and Budget

Appendices

- ☐ Appendix A – Organizational Documents
- ☐ Appendix B – Proposed Scope of Work
- ☐ Appendix C – Latest 3 Years Financial Information
- ☐ Appendix D – Supplemental Funds Verification
- ☐ Appendix E – Documentation of Experience
- ☐ Appendix F – Letters of Support
- ☐ Appendix G – Additional Supporting Documentation

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Application Template

Section 1: Summary Information

Legal Name of Applicant:

Requested Grant Amount: \$

DUNS #

SAM/CCR Registration Cage Code:

Expiration Date:

Applying for 6121 Strategic Economic and Community Development Priority Points:

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 DUNS #, 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 cage code number and expiration date will be provided when the registration is activated and must be included in your RBEG application information. For technical assistance, call the toll-free assistance line at 1-866-606-8220 and press "1." Enter the registration cage code 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.

Project Summary

[Please provide a brief summary of your propose project]

Certifications/ General Information

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. Location - No (small and emerging) business located within or adjacent to a community in excess of 50,000 population may be

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served with the services provided with grant funds. Note your agreement here that no (small and emerging) business to be served will be located in or adjacent to a community of 50,000 populations or more

3. Citizenship requirements - All (small and emerging) businesses assisted with grant funds must be at least 51 % owned by U.S. citizens or resident aliens. Note your agreement here that all (small and emerging) businesses assisted will be at least 51 % owned by U.S. citizens or resident aliens

RBEG ONLY

4. Small and emerging private business enterprise requirements – All businesses assisted with RBEG 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 businesses assisted will meet the RBEG program definition of small and emerging private business enterprise

SECTION 2: Applicant Eligibility

Applicant Type– Please Check One:

- ☐ Public Body/Government Entity
- ☐ Nonprofit Entity
- ☐ Indian Tribe

SECTION 3: Project Eligibility

Application Type – Please Check One:

- ☐ Enterprise Grant
- ☐ Opportunity Grant

Enterprise Grant Applicants Only:

- Development or Financing of Small & Emerging Private Businesses

[Describe how grant funds will be used to finance and/or develop Small and Emerging Businesses in Rural Areas. Supporting Documentation can be inserted in Appendix G]

For revolving loan fund requests only - RBEG revolving loan fund initial administrative costs are the responsibility of the applicant. All funds awarded from this agency must be used for loans. As loans are repaid, principal and interest are the basis of the continuation of the revolving loan fund. Interest collected may be used to offset administrative costs. For example a revolving loan fund that charges a 5% interest rate might require 1-2% for administrative costs, with the remaining interest along with the principal paid used for relending. Please provide a "proposed use of interest funds" as a part of your plan to provide financial assistance to third parties (RD Instruction 1942.313). The Intermediary's contribution for administrative costs should be budgeted as a separate item from the Intermediary's contribution to be used for (small and emerging) business loans.

Requests for construction or renovation projects the following should be provided - proof of ownership of the property; preliminary drawings, cost estimates, pictures (inside and outside) of any existing structures. Anticipatory demolition is discouraged and will prevent USDA Rural Development funding of the project. An appropriate environmental review will be required including a response from the State Historic Preservation Officer (SHPO). Please complete Form RD 1940-20, “Request for Environmental Information.”

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For request to purchase equipment - provide a detailed list with estimated cost per item.

Opportunity Grant Applicants Only:

- Economic Development Result

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 G]*



- Local and Area Strategic Plans

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 G]*



All Applicants:

Section 4: Written Narrative

4.1 Project Need

[Explain proposed project and why the project is needed. Supporting Documentation can be inserted in Appendix G]



4.2 Project Benefits

[Explain the benefits of the proposed project. Supporting Documentation can be inserted in Appendix G]



4.3 Eligible Grant Purpose

[Explain how the proposed project meets an eligible grant purpose. Supporting Documentation can be inserted in Appendix G]



4.4 Area to be Served

[Describe the area to be served, identifying each governmental unit (i.e. town, county, etc.) to be affected by the project]



4.5 Method and Rationale to Select Service Recipients

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[Describe how the service area was selected and the businesses that will receive assistance. If the businesses haven't been selected, describe how they will be selected.]



Scoring Criteria. Population. Proposed project(s) will be located in a community of:

- | | |
|---------------------------------------|-----------|
| 1. Under 5,000 | 15 points |
| 2. Between 5,000 and less than 15,000 | 10 points |
| 3. Between 15,000 and 25,000 | 5 points |

Scoring Criteria. Unemployment. Proposed project(s) will be located in areas where the unemployment rate:

- | | |
|--|-----------|
| 1. Exceeds the State rate by 25% or more | 20 points |
| 2. Exceeds the State rate by less than 25% | 10 points |
| 3. Is equal to or less than the State rate | 0 points |

Scoring Criteria. Medium Household income. Proposed project(s) will be located in areas where the median household income (MHI) for the State is:

- | | |
|---|-----------|
| 1. Less than poverty line | 25 points |
| 2. More than poverty line but less than 65% | 15 points |
| 3. Between 65% and 85% | 10 points |
| 4. Equal to or greater than 85% | 0 points |

Scoring Criteria. Economic Distress. Points will be awarded for each of the following criteria met by the community or communities to benefit from the grant (cannot exceed 40 points total):

- | | |
|--|-----------|
| 1. Trauma | 15 points |
| (natural disaster occurred not more than 3 years prior to filing application) | |
| FEMA Designation _____ | |
| 2. Economic distress | 15 points |
| (Military Base/Employer 20% or more loss in total jobs) | |
| 3. Long-Term Poverty | 10 points |
| (demonstrated by being a former EZ/EC, REAP, CC or a persistent poverty county)- | |
| indicate which _____ | |
| 4. Long-term population decline | 10 points |
| (demonstrated by latest 3 decennial Census) | |
| Show amounts _____ | |
| Subtotal ____ (Cannot Exceed 40 Points) | |

4.6 Coordination with Area Economic Development Activities

[Description of how the project will coordinate Economic Development activities with other Economic Development Activities within the project area. Supporting Documentation can be inserted in Appendix G]



4.7 Businesses to be Assisted and Economic Development to be Accomplished

[Describe Businesses to be Assisted (if appropriate) and Economic Development to be accomplished. Supporting Documentation can be inserted in Appendix G]



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Scoring Criteria. Applicant has written evidence that small business development will be supported by startup or expansion as a result of the grant. 5 points for each letter for separate businesses up to 25 points

4.8 Jobs Created/Saved

[Describe how the proposed project will create jobs or save existing jobs in the service area and provide an estimated number of jobs created and jobs saved. This is evidenced by letters from rural businesses that will be directly assisted in Appendix F.]

Number of jobs expected to be created _____ or saved _____

Jobs created are the jobs created by the “businesses assisted” and are directly related to, a result of, and attributed to the project funded by the RBDG project. Jobs created are generally located at the project site; however, jobs created may be located off site if they are employed by the business assisted and are directly related to the project. Examples may include increases in off-site sales staff due to a production expansion project. Enter the estimated number of jobs that will be created if the project is implemented. Part-time and seasonal jobs will be converted to full-time equivalents (FTE): count 2 part-time jobs as 1 full-time job; count 3 seasonal jobs as 1 full-time job. If part-time and/or seasonal jobs add up to a fraction, round up to the next whole number.

Scoring Criteria. Applicant has written evidence that the proposed project will create and/or support existing jobs. The number of jobs must be evidenced by a written commitment from the business to be assisted.

- | | |
|--|-----------|
| 1. One job for less than \$5,000 | 25 points |
| 2. One job for 5,000 but less than \$10,000 | 20 points |
| 3. One job for \$10,000 but less than \$15,000 | 15 points |
| 4. One job for \$15,000 but less than \$20,000 | 10 points |
| 5. One job for \$20,000 but less than \$25,000 | 5 points |

Amount of Grant divided by number of jobs = \$_____/jobs

4.9 Applicant Expertise

[Insert key personnel, names and experience of personnel on staff and, if applicable, under contract to be utilized for delivery of project tasks. Identify their connection to the project and include a resume of their experience. Attach resumes and other supporting documentation of experience in Appendix E]

Scoring Criteria. Applicant has evidence of successful experience in type of activity.

- | | |
|--------------------------------------|-----------|
| 1. 10 or more years | 30 points |
| 2. At least 5 but less than 10 years | 20 points |
| 3. At least 3 but less than 5 years | 10 points |
| 4. At least 1 but less than 3 years | 5 points |

Number of years' experience _____

4.10 Work Plan Narrative

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[Insert work plan narrative including how the grant purposes will be accomplished and milestones for accomplishing the proposed tasks. Additionally, if selected for funding, provide a statement indicating how soon after notification of grant obligation will project begin]

a. Project Budget Summary

Summarize the total project budget by task. Project should reasonably be completed within 1 full year after it has begun. Insert additional rows as needed.

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

b. Sources of Funding

[Identify sources and amounts of matching funds. Please 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 in Appendix D.]

c. Task Budget Format

Provide a budget table for **each task** that will be completed for **each main activity** listed above. Add additional task tables as needed.

| Task #1 Budget Categories | RBDG Funds | Supplemental Funds | Total Project Costs |
|------------------------------|------------|--------------------|---------------------|
| Personnel | | | |
| Fringe Benefits | | | |
| Travel | | | |
| Supplies | | | |
| Contractual | | | |
| | | | |
| | | | |
| Total | \$ | \$ | \$ |

Provide explanation/clarification of the basis for the above budget figures:

[Insert task budget explanation]

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| Task #2 Budget Categories | RBDG Funds | Supplemental Funds | Total Project Costs |
|------------------------------|------------|-----------------------|---------------------|
| Personnel | | | |
| Fringe Benefits | | | |
| Travel | | | |
| Supplies | | | |
| Contractual | | | |
| | | | |
| | | | |
| Total | \$ | \$ | \$ |

Provide explanation/clarification of the basis for the above budget figures:

[\[Insert task budget explanation\]](#)

Scoring Criteria. Leveraging. Applicant has evidence of commitment of funds from nonfederal sources for proposed project. If Rural Development portion of project funding is:

- | | |
|--------------------------------|-----------|
| 1. Less than 20 percent | 30 points |
| 2. 20 but less than 50 percent | 20 points |
| 3. 50 but less than 75 percent | 10 points |
| 4. 75 percent or more | 0 points |

Rural Development funds \$ divided by non-Federal funds and Rural Development funds \$ ____ X 100 = _____% which is Rural Developments portion of project funding

Scoring Criteria. Size of Grant Request

- | | |
|--|-----------|
| 1. Less than \$100,000 | 25 points |
| 2. \$100,000 to \$200,000 | 15 points |
| 3. More than \$200,000 but not more than \$500,000 | 10 points |

Scoring Criteria. Indirect cost. Applicant is not requesting grant funds to cover their administrative or indirect costs. 5 points

Suggested Performance Criteria:

Suggest one or more relevant criterion to be used to evaluate the performance of the grant project during its operational phase post-award, as benchmarks to assess whether or not the primary goals and objectives proposed in the scope of work are accomplished during the project period. These criteria should relate to the overall project goal of financing and/or assisting small and emerging businesses or conducting business opportunity projects, with a resulting creation or saving of jobs.

[\[Insert Performance Evaluation Criteria\]](#)

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Additional Scoring Criteria

Scoring Criteria. *Discretionary points.* Either the State Director or Administrator may assign up to 50 discretionary points to an application. Assignment of discretionary points must include a written justification. **Permissible justifications are 1) geographic distribution of funds, 2) special Secretary of Agriculture initiatives such as Priority Communities, or 3) a state's strategic goals. Discretionary points may only be assigned to initial grants.**

However, in the case where two projects have the same score, the State Director may add one point to the project that best fits the state's strategic plan regardless of whether the project is an initial or subsequent grant.

Appendices

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Appendix A: Organizational Documents

Please attach evidence of Legal Authority and Good-standing (Examples: By-Laws, Articles of Incorporation or Organization, Letter or Certificate of Good Standing from your Secretary of State or equivalent agency).

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Appendix B: Proposed Scope of Work

Please attach Proposed Scope of Work.

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Appendix C: Supporting Financial Documentation

Please attach latest Three (3) years financial statements including, balance sheets, income statements and current audited report if available.

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Appendix D: Supplemental Funds Verification

Documentation verifying eligible supplemental funds are available and have been committed to the project must be included in your application to qualify for consideration under applicable scoring criterion.

Examples of acceptable documentation include: a signed letter from the source of funds stating the amount of funds, when the funds will be provided, and what the funds can be used for, an executed grant agreement, and a signed resolution from your governing board authorizing the use of a specified amount of funds for the project (if funds will be contributed by the applicant organization).

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Appendix E: Documentation of Experience

Please attach documentation of experience for proposed project activities.

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Appendix F: Letters of Support

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.