

**USDA Rural Development
Rural Business Enterprise Grant Program (RBEG)
Application Revised 05/05/2010**

This guide/template is made available to assist you in providing information for a complete application. This guide provides a list of required forms that are to be attached. Each element of required documentation and loan scoring priorities is listed as a separate item. **It is recommended that the writer start each item on a New Page allowing the writer to provide the documentation for that entire element on that page and to add or attach additional supporting information as needed to that page.** It is very important that each element is completed in its entirety and is well documented with strong supporting information and/or calculations. **This guide/template is designed to be saved and completed as a "Word Document". Do not change this guide by deleting sections or questions; add your response to the guide.**

Rural Business Enterprise Grant Instruction (RBEG) 1942-G may be accessed from the following website:
<http://www.rurdev.usda.gov/regs/regs/pdf/1942g.pdf>

The primary objective of the program is to support the development of small and emerging private business enterprises in rural areas.

We recommend you review RD Instruction 1942-G prior to beginning your application including but not limited to:

- 1942.301 Purpose
- 1942.302 Policy
- 1942.304 Definitions
- 1942.305 Eligibility
- 1942.306 Purpose of grants
- 1942.307 Limitations of use of grant funds (grant funds may not be passed through to a for-profit business)
- RD Instruction 1942-G Attachment 1, General Requirements for Administration of Rural Business Enterprise and Television Demonstration Grants, Section B. III., Responsibilities of the Grantee, pages 8 - 16. This section of RD Instruction 1942-G is considered the "Grant Agreement".

The Federal Catalog Number for this program is 10.769 (item 10 of Form 424).

The required Duns number is obtained by calling 1-866-705-5711.

State Executive Order 12372 process is not applicable in Kansas (item 16 of Form 424).

You are advised against incurring obligations, which cannot be fulfilled without federal funds, **costs incurred prior to grant obligation are not reimbursable.**

There is no set maximum dollar amount for this program. Kansas receives an allocation of RBEG funds each fiscal year. It is our goal to assist as many projects as possible with the allocation received. The following is provided to inform you of our historical use of RBEG funds.

Fiscal Year 2009	Allocation \$264,170	4 projects funded	average amount \$66,043
Fiscal Year 2008	Allocation \$315,000	5 projects funded	average amount \$63,000
Fiscal Year 2007	Allocation \$345,000	6 projects funded	average amount \$57,500
Fiscal Year 2006	Allocation \$315,000	7 projects funded	average amount \$45,000

PLEASE PROVIDE ONE ORIGINAL OF THE COMPLETE APPLICATION PACKAGE to one of the addresses listed below.

You may email your application; the application must be returned as a word document, pdf will not be

accepted. Attachments may be emailed as scanned documents. Please clearly indicate in the subject line of your email "RBEG Application attached". **Required forms must be mailed with original signatures. Please set up your document to number the pages when printed.**

Hays

USDA Rural Development
Brandon Prough
Area Specialist
2715 Canterbury Drive
Hays, KS 67601
(785) 628-3081 ext 437
Email: brandon.prough@ks.usda.gov

Manhattan

USDA Rural Development
Larry Holz
Area Specialist
3705 Miller Parkway, Suite A
Manhattan, KS 66503
(785) 776-7582 ext 105
Email: larry.holz@ks.usda.gov

Iola

USDA Rural Development
Katie Casper
Area Specialist
202 W. Miller Road
Iola, KS 66749
(620) 365-2901 ext 127
Email: katie.casper@ks.usda.gov

Newton

USDA Rural Development
Douglas Clary
Area Specialist
1405 South Spencer Road
Newton, KS 67114
(316) 283-0370 ext 30
Email: douglas.clary@ks.usda.gov

Kansas State Office

USDA Rural Development
David Kramer
Business Programs Specialist
1303 SW First American Place, Suite 100
Topeka, KS 66604-0404
Telephone (785) 271-2730
Email: david.kramer@ks.usda.gov

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

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Name of Applicant _____

Contact _____

Phone # _____ **Email** _____

DUNS # _____ **Applicant Tax ID #** _____

Amount requested: _____

Brief description of project (short paragraph beginning with) - Rural Development funds will be used to

(Start new page here)

Forms

The following forms are required:

Standard Form 424 "Application for Federal Assistance" **including**

Standard Form 424-A "Budget Information non-construction" **and**
Standard Form 424-B "Assurances non-construction" **or**

Standard Form 424-C "Budget Information construction" **and**
Standard Form 424-D "Assurances construction"

Standard Form 424-A or Standard Form 424-C may not fit the budget categories for your project. In order for us to understand your request, please include on a separate sheet of paper (word or excel) a complete and detailed project budget including all sources and uses of funds. Proposed budget should include detailed breakdown in each category (personnel, fringe, travel, contract costs, indirect costs, etc. as appropriate for your project) and an explanation of the method used to estimate the amounts for each budgeted category. You may label categories differently, adding and/or subtracting categories as applicable to your project. Using a spreadsheet format, columns should be labeled as to funding sources; RBEG, Applicant, etc, rows should be labeled to indicate expense class categories. A category titled "other" or "miscellaneous" if in excess of \$100.00 is unacceptable and must have an appropriate title.

Complete your budget in detail using dollars, and cents if necessary. When your budget is completed, transfer the amount of funds requested to Standard Form 424, to either SF 424-A or SF 424-C as appropriate and to page two of this template; at that time please round your request to the nearest \$100.00.

If indirect costs are to be claimed for reimbursement you will need to submit an approved copy of your current "Indirect Cost Rate Agreement" including a list of those items considered as indirect.

***Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions"**

***Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements"**

***Form RD 400-1, "Equal Opportunity Agreement"**

***Form RD 400-4, "Assurance Agreement"**

***Certificate Contracts Grants Loans 1940-Q, Exhibit A-1**

***Form RD 1940-20, "Request for Environmental Information" (only for revolving loan fund or construction requests)**

***If you are a non-profit private organization (not including private universities) please complete the following: "USDA Survey on Ensuring Equal Opportunity for Applicants" OMB No. 1890-0014. (For assistance in locating forms contact one of the offices previously listed.)**

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."

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

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Eligibility Information

For non-profits the following are attached:

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

For public bodies the following are attached:

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

For Indian Tribes the following are attached:

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

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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 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 population 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 _____

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 _____

(start new page here)
Area to be served

A list of communities/counties to be served must be included as a part of the application.

List here or attach a list of those communities/counties to be served:

(start new page here)
Scope of Work

(a) Specific Purposes, including but not limited to;
a detailed description of the service(s) to be provided with grant funds,
benefits of the proposed assistance,
area to be served (see above),
and if jobs will be created and/or saved as a result of the project (please list jobs created and jobs saved as separate numbers).

Documentation as follows or attached:

(start new page)
Scope of Work cont.

(b) Timeframes or dates by which actions surrounding the use of funds will be accomplished based on utilizing funds within one year of grant obligation. Please use general terms such as within 30 days after obligation or in the first quarter after obligation, rather than specific calendar dates. If selected for funding, provide a statement indicating how soon after notification of grant obligation will project begin. **If selected for funding, the information provided here will be used by you to prepare required quarterly and final reports and by Rural Development when reviewing the reports.**

Documentation as follows or attached:

(start new page)
Scope of Work cont.

(c) Key personnel, names and experience of personnel on staff and if applicable under contract to be utilized for delivery of technical assistance; identify their connection to the project and include a resume of their experience.

(If personnel are to be contracted for, document the capability of the contractor to carry out the objectives of the project. This Agency recommends the contract be submitted to Rural Development for concurrence prior to signing.)

Provide as follows or attached:

(start new page)
Scope of Work cont.

(d) How the grant purposes will be accomplished, including milestones for accomplishing the proposed tasks and method for evaluating effectiveness of services to be delivered by the proposed project. **If selected for funding, the information provided here will be used by you to prepare required quarterly and final reports and by Rural Development when reviewing the reports.**

Documentation as follows or attached:

(start new page)
Scope of Work cont.

(e) Documentation regarding the availability of and amount of other funds to be used with grant funds awarded. Please include all other funding.
Please identify for us the source, the amount and whether cash or in-kind or federal.

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. Evidence should be on source letterhead, signed and dated.

Documentation as follows and attached:

(start new page)
Scope of Work cont.

(f)(1) Information which will establish/identify the need for the assistance identified in this application.

Documentation as follows or attached:

(start new page)
Scope of Work cont.

(f)(2) Financial information that will demonstrate the financial ability of the **applicant** to administer the assistance.

Attach the following:

1. Current and past three years balance sheets
2. Current and past three years income statements
3. Current audited report if available

(new page)
Scope of Work cont.

(f)(3) Detail on the applicant's/contractor's experience in providing the technical assistance identified in this application.

Documentation as follows or attached:

(start new page)
Scope of Work cont.

(g) Planned projects, (small and emerging) businesses **to be assisted**.

Please provide listing of and **written commitment** (to extent possible) **from small and emerging business** that business development will occur by startup or expansion as a result of the grant.

*RBEG program definition of small and emerging private business enterprise: “Any private business which will employ 50 or fewer new employees **and** has less than \$1 million in projected gross revenues.”*

See “**Scoring Priorities (iv) Other (A)**” following for further details.

Documentation as follows/attached:

(start new page)
Scope of Work cont.

(h) Number of jobs to be created and/or saved (**separate numbers**). Identify jobs created and/or saved per (small and emerging) business (if applicable) and total for the grant project.

See “**Scoring Priorities (iv) Other (D)**” following for further details.

Documentation as follows/attached:

(new page)
Information required for Revolving Fund Requests ONLY
(Provide this information only if you are applying for a revolving loan fund)

For applications involving establishment of a revolving fund to provide financial assistance to third parties, the applicant shall develop a plan which outlines the purpose and administration of the fund. A document titled “Revolving Loan Fund Plan” is available upon request. The plan will include:

(a) Describe how you plan to administer the fund in sufficient detail to provide the Agency with a complete understanding of what the intermediary will accomplish by lending the funds to the ultimate recipient and the complete mechanics of how the fund will get from the intermediary to the ultimate recipient. Service area, eligibility criteria, loan purposes, fees, rates, terms, collateral requirements, limits, priorities, application process, method of disposition of funds to the ultimate recipient, monitoring of the ultimate recipient’s accomplishments, servicing, liquidation, and reporting requirements by the ultimate recipient’s management are some of the things to be addressed. (Revolving Loan Fund plan assistance is available upon request.)

Described as follow:

(a1) Planned projects (small and emerging businesses) to be financed.

Listed as follows:

(a2) Sources of all non-RBEG funds to be utilized as a part of the Ultimate Recipient (small and emerging) business loans.

Identify standards for revolving loan fund guidelines for example; a minimum 10% equity will be required for each loan, no more than 40% of each loan will be RBEG funds, 5% of each loan will be applicant funds

pledged as match, remaining 45% will be leveraged from other sources i.e., bank, seller carry back, etc.

Funds identified as follows:

(a3) Amount of technical assistance to be provided along with the financial assistance. If technical assistance will be referred, identify to whom referrals will be made.

Described as follows:

(a4) Purpose of the loans.

Identify purposes of **initial loans**, including rates and terms. Identify loan purposes, rates and terms for **revolving loan fund guidelines**.

(a5) Number of jobs to be created and/or saved with each project (**overall project guidelines**).

List jobs created and/or saved for **initial loans** identified:

Name of loan applicant	Jobs created	Jobs saved
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(a6) Project priority and length of time involved in completion of each project:

(New Page)

Priority Scoring Criteria

Each RBEG application for assistance will be carefully reviewed in accordance with the priorities established by RD instruction 1942-G. A priority rating will be assigned to each application. Applications selected for funding will be based on the priority rating assigned each application and the total funds available. All applications submitted for funding should contain strong documentation to permit Rural Development to complete a thorough priority rating.

2000 census data may be found at: www.census.gov

- (i) Population: Proposed **project** will primarily be located in a community of:
(over 25,000 population – 0 points)
(1) over 15,000 and up to 25,000 population - 5 points,
(2) between 5,000 and 15,000 population - 10 points,
(3) under 5,000 population - 15 points.

Identify selected level with supporting documentation as follows.

Start new page
Scoring Priorities cont.

- (ii) Economic conditions.

(A) Proposed project(s) will primarily be located in **areas** where the unemployment rate exceeds the State rate by 25 percent or more - 20 points;
exceeds the State rate by less than 25 percent - 10 points;
is equal to or less than State rate - 0 points.

Current unemployment information may be found on the Kansas Department of Labor website at <http://www.dol.ks.gov/index.html> - scroll to bottom of the page and click on the current month's Labor report – Example - March 2010 Labor Report. Scroll to the bottom of the page and click on the Current Unemployment Rates PDF. If your project will serve a multi county area, unemployment rates will be added and averaged for comparison to the State rate.

Identify selected level with supporting documentation & calculations as follows/attached:

Start new page
Scoring Priorities cont.

(B) Proposed project(s) will primarily be located in **areas** where Median Household Income (MHI) as prescribed by Section 673 (2) of the Community Services Block Grant Act (42 U.S.C 9902 (2)) for a family of 4 for the State is:

less than poverty line - 25 points;
poverty line or more but less than 85 percent of State MHI - 15 points;
between 85 percent but less than 100 percent of State MHI - 10 points;
equal or greater than State MHI - 0 points.

*Kansas State MHI - \$39,859 (2000 census data)
85% of State MHI - \$33,880
Effective April 14, 2009 and continuing until further notice, the poverty line is \$22,050.*

For assistance in determining a multi-county weighted average for comparison with the State MHI, contact one of the offices previously listed.

Identify selected level with supporting documentation/calculations as follows/attached:

Start new page
Scoring Priorities cont.

(iii) Experience. **Applicant** has evidence of at least 5 years of successful **experience in the type of activity proposed in the application** for funds under this subpart. Evidence of successful experience may be (1) a description of experience supplied and certified by the applicant, or (2) a letter of support from appropriate local elected officials explaining the applicant's experience. (For Revolving Loan Fund applications only - If the applicant does not have a revolving loan fund; the applicant has no experience and therefore no points will be awarded.)

Experience - 10 points.

Supporting Documentation as follows or attached:

Start new page

Scoring Priorities cont.

(iv) Other.

(A) Applicant has evidence that small and emerging business development will occur by startup or expansion as a result of the activities to be carried out under the grant. **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.”**

Written evidence of commitment is a pledge by the (small and emerging) business to participate in the project for which the funding is being requested. Written evidence should be on business letterhead, signed and dated. Unless the project funds will be specifically dedicated to one (small and emerging) business, more than one letter is required to obtain 25 points. A letter of support is not a commitment to participate. A letter of support only indicates approval of the project.

Information regarding jobs should be included. Information regarding jobs will be used to answer (iv) Other (D), below; the number of jobs must be evidenced by a written commitment from the (small and emerging) business to be assisted.

Written evidence of commitment by small and emerging business must be provided to obtain 25 points (letters should be personal).

Documentation as follows/attached:

Start new page

Scoring Priorities cont.

(B) Applicant has evidence of substantial commitment of funds from nonfederal sources for proposed project. **An authorized representative of the source organization of the nonfederal funds must provide evidence that the funds are available and will be used for the proposed project. Evidence should be on source letterhead, signed and dated.** (Commitment may be cash or in-kind, please identify amount, source and type.)

More than 50% of total project costs from nonfederal sources - 15 pts

More than 25%, up to and including 50% of total project costs from nonfederal sources -10pts

Between 5% and 25% of total project costs from nonfederal sources - 5 pts

(An exact 50% commitment will only receive 10 points.)

Identify level with supporting documentation and calculations:

Start new page

Scoring Priorities cont.

For Revolving Loan Fund Requests Only

(C) For a grant to **establish** a revolving fund, the applicant provides evidence to Rural Development through loan applications or letters from (small and emerging) businesses that the loans are needed by small and emerging businesses in the proposed project area - 25 points. (25 points will be awarded if the applicant does not have a revolving loan fund from **any** funding source)

Provide evidence/documentation attached:

Start new Page
Scoring Priorities cont.

(D) The anticipated development, expansion, or furtherance of (small and emerging) business enterprises as a result of the proposed project will create and/or save jobs associated with the affected (small and emerging) businesses. **The number of jobs must be evidenced by a written commitment from the (small and emerging) business to be assisted.**

When requesting written evidence of commitment by small and emerging businesses as in (iv) Other (A), above; request each (small and emerging) business list number of jobs anticipated to be created and/or saved (separate numbers) as a result of any assistance received. Jobs are calculated as follows: 2 part time jobs = 1 full time job; 3 seasonal jobs = 1 full time job

One job per each \$10,000 or less in grant funds expended - 10 points.
One job per each \$25,000 to \$10,000 in grant funds expended - 5 points.

Identify selection with supporting documentation as follows/attached:

Start new page
Scoring Priorities cont.

(E) The proposed grant project is consistent with, and **does not duplicate**, economic development activities for the project area under an existing community or economic development plan covering the project area. If no local plan is in existence for the project area, an area wide plan may be used. The plan used must be adopted by the appropriate governmental officials/entities as the area's community or economic development plan. Appropriate **plan references** and **copies of appropriate sections** of the plan, as well as **evidence** of plan adoption by appropriate governmental officials, **must be provided to Rural Development.**

HINT- Development Districts that receive EDA money do a five-year plan for EDA; counties and municipal governments may have a strategic plan or goals for economic development. Does your organization have a plan that is presented to your governing board each year, a short term plan for the current year and/or a long term plan, three to five years?

Project is reflected in a plan - 5 points.

Supporting documentation as follows and attached:

Start new page
Scoring Priorities cont.

(F) Grant projects utilizing funds available under this subpart of:

less than \$100,000 - 25 points,
\$100,000 to \$200,000 - 15 points,
more than \$200,000 but not more than \$500,000 - 10 points.

Identify selection

Start new page
Scoring Priorities cont.

(G) The project will assist a small and emerging private business enterprise as described in 1942.305 (a) (2) of this subpart – 10 points

(Per RD AN No. 4450 (1942-G) 6/4/09; To receive points - the small and emerging private business enterprise being assisted must be a nonprofit entity or other tax-exempt organization located in a city, town, or unincorporated area with a population of 5,000 or less and which has a principal office on land of an existing or former Native American reservation. The application must provide supporting documentation to receive the points.) *(Identify the (small and emerging) business or businesses to be assisted which meets this definition. Proof of nonprofit or other tax exempt status, population of location, and documentation in support of “has a principal office on land of an existing or former Native American reservation,” must be provided by the (small and emerging) business or businesses which will receive the assistance.)* **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.”**

The applicant does not qualify as the small & emerging private business.

Start new page
Scoring Priorities cont.

(v) Discretionary. In certain cases, **when a grant is an initial grant** for funding under this subpart and is not more than \$500,000, Rural Development **may** assign points in addition to those that may be assigned in paragraphs above. Use of these points must include a written justification; **geographic distribution** of funds, criteria which will result in **substantial employment improvement, mitigation of economic distress** of a community through the **creation or saving** of jobs, **emergency situations**. Points may be assigned as following:

For grants of less than \$100,000	50 points;
For grants of \$100,000 to \$200,000	30 points;
For grants of more than \$200,000, but not more than \$500,000	20 points.

Identify selection and provide/attach substantial supporting documentation addressing the above high-lighted criteria as well as any other significant issues:

HINTS:

Geographic distribution of funds (hints: why are the requested grant dollars important to the area of Kansas your project will serve?)

Criteria which will result in substantial employment improvement (hints: new jobs, higher quality of employment such as higher wages, improved benefits, greater career potential, higher levels of skill than are typical of current jobs in the area your project will serve).

Mitigation of economic distress of a community through the creation or saving of jobs (hints: recent natural disasters in the area, long term poverty of the area, long term population decline of the area, job loss, businesses closed or downsized to include names, locations, dates, number of jobs lost).

Emergency situations (hints: jobs lost or jobs not created if project is not funded, viability of project if not funded, tie to applicant or partners not being able to fund whole, importance of timeliness of funding).