



# Rural Business Development Grant (RBDG) and Cooperatives

February 6, 2024



Rural Development  
U.S. DEPARTMENT OF AGRICULTURE



# *USDA Rural Development Cooperative Services Branch* Team Members

We work nationwide to assist Cooperatives, Development Centers, and Rural Development staff



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# Rural Business Development Grant Purpose

Review [7 CFR Part 4280 Subpart E](#) for Program Regulations

## To Provide

- Financial and technical assistance to support small and emerging rural businesses
- Distance learning networks
- Employment-related adult education programs





# Fiscal Year 2024 Applications Deadline

Complete applications may be submitted in paper or electronic format and must be received by 4:30 p.m. local time on February 28, 2024, in the United States Department of Agriculture (USDA) Rural Development (RD) State or Local office.

- Click “State Office Page” for the State where the project is located
- Choose Rural Business Development Grants (or you may have to click View All State Programs link first to see Rural Business Development Grant button)
- Click the Contacts Tab.

Applicants are STRONGLY advised to develop a relationship with RBDG staff and view program information specific to your projects State or Local office to learn about local application timelines, concept paper requirements, etc.

If you are having issues trying to find/reach the State Representative for your project, please reach out to us.  
(emails listed on slide 2)



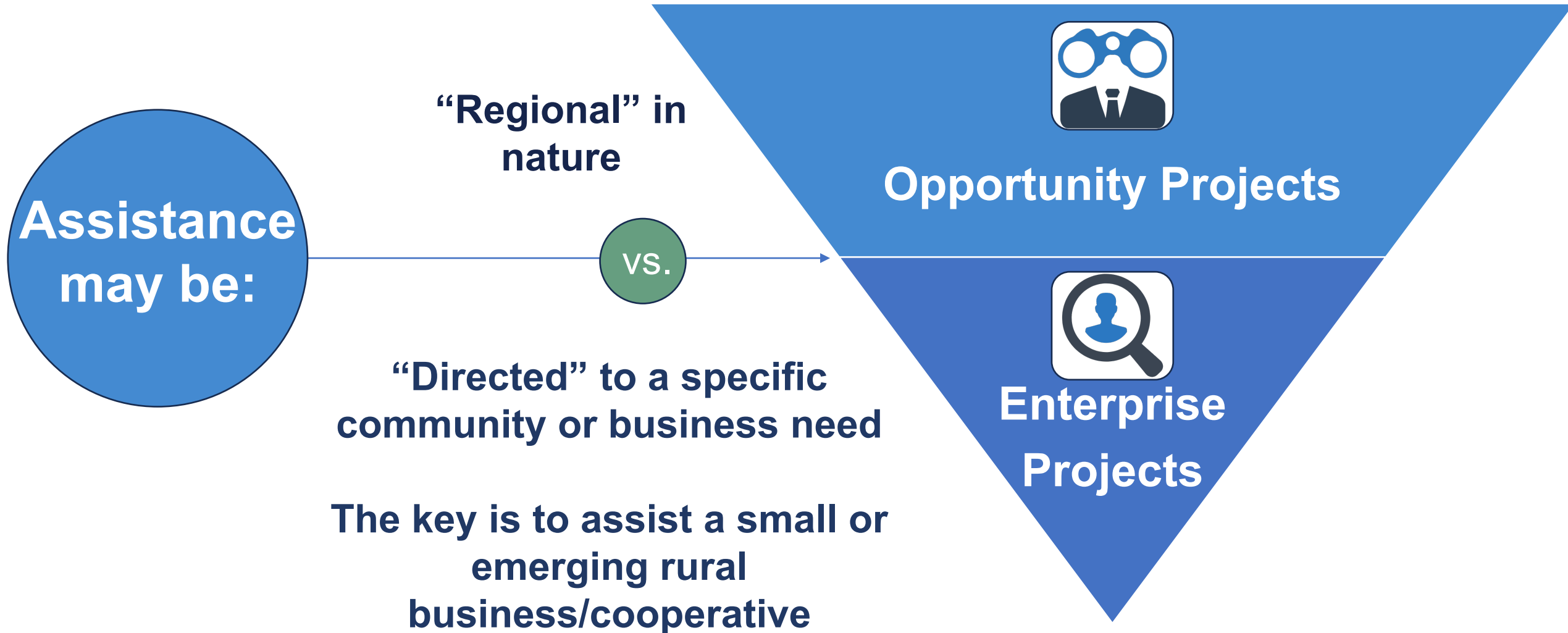
# 2014 Farm Bill

The 2014 Farm Bill reauthorized the Rural Business Development Grant Program (RBDG)

The program combines the former Rural Business Enterprise Grant Program (RBEG) and the former Rural Business Opportunity Grant Program (RBOG)

Opportunity Projects are limited to 10% of RBDG funding

# Opportunity Type vs. Enterprise Type Grant Projects



# Small or Emerging Business Definition



Any private and/or nonprofit business which will employ **50 or fewer new employees and** has **less than \$1 million in gross revenues**



Retailers and manufacturers revenue calculation:

**Total Revenue – Cost of Good Sold =  
RBDG gross revenue amount**



# Who is Eligible?







# Rural Business Development Grant Eligibility

Rural communities

State agencies or authorities

Non-profit entities

Federally recognized Indian tribes

Public institutions of higher education

Non-profit cooperatives



# How to Determine Geographic Eligibility of Project

A large, light green arrow pointing to the right, which serves as a background for the four steps of the process. The arrow has a slight 3D effect with a darker green shadow on its right side.

Visit  
[eligibility.sc.egov.  
usda.gov/](http://eligibility.sc.egov.usda.gov/)

Click Rural  
Business tab

Click the first  
category of  
programs

Search the  
map for your  
address



# What Types of Projects are Eligible Under RBDG?



# Business Opportunity Type Grant Examples

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## Eligible Purposes

Training and technical assistance to existing or prospective entrepreneurs, cooperatives, and/or leaders

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Community or multi-county economic development planning

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Establishing business support centers – technical assistance

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# Business Enterprise Type Grant Examples

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## Eligible Purposes

Acquisition or development of land, construction and/or renovation of buildings/plants, machinery & equipment, etc.

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Leadership, cooperative, and entrepreneur training

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Feasibility studies and professional service fees for project development

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Funding rural business incubator

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Establishment of revolving loan funds

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# Rural Business Development Grant

## Ineligible Purposes: not all-inclusive list

Duplicate current services  
or substitute support  
previously provided

Pre-application expenses  
incurred prior to receipt of  
full application

Pass-through grants

Fund part of a project that  
is dependent on other  
non-committed funding  
and threatens the  
completion of the project

Application  
preparation or grant writer  
fees

Fund political activities

Pay assistance to any  
private business which  
does not create and/or  
support jobs in the US

Transfer existing  
employment and business  
activity more than 25  
miles from its existing  
location

Pay any judgment or debt  
to the United States

Fund Agriculture  
Production with  
exceptions

Creation of Revolving  
Loan Funds that charge  
unreasonable rates and  
terms

Programs operated by  
cable television system





# Rural Business Development Grant

## Avoid Ineligible Purpose

How you  
might  
avoid  
duplication  
of services

- Providing services to new clients/geographic areas
- Offering new services

# RBDG Funding and Terms



# Funding

Funds allocated to individual states

No minimum or max grant amount

No matching funds required

Indirect cost-administrative cost

Competitive based on scoring



# Hemp Related Projects

No assistance or funding from this grant can be provided to a hemp producer without a valid license issued from an approved State, Tribal or Federal plan in accordance with Subtitle G of the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621 *et seq.*).

Verification of valid hemp licenses will occur at the time of award.

The purpose of this program is to provide technical assistance, so funding to produce hemp or marketing hemp production is not eligible.

Products designated for consumption by humans or animals will not be eligible without FDA approval.

# RBDG Application Contents

Your USDA RD state  
representative may have an  
Application Guide for your  
use

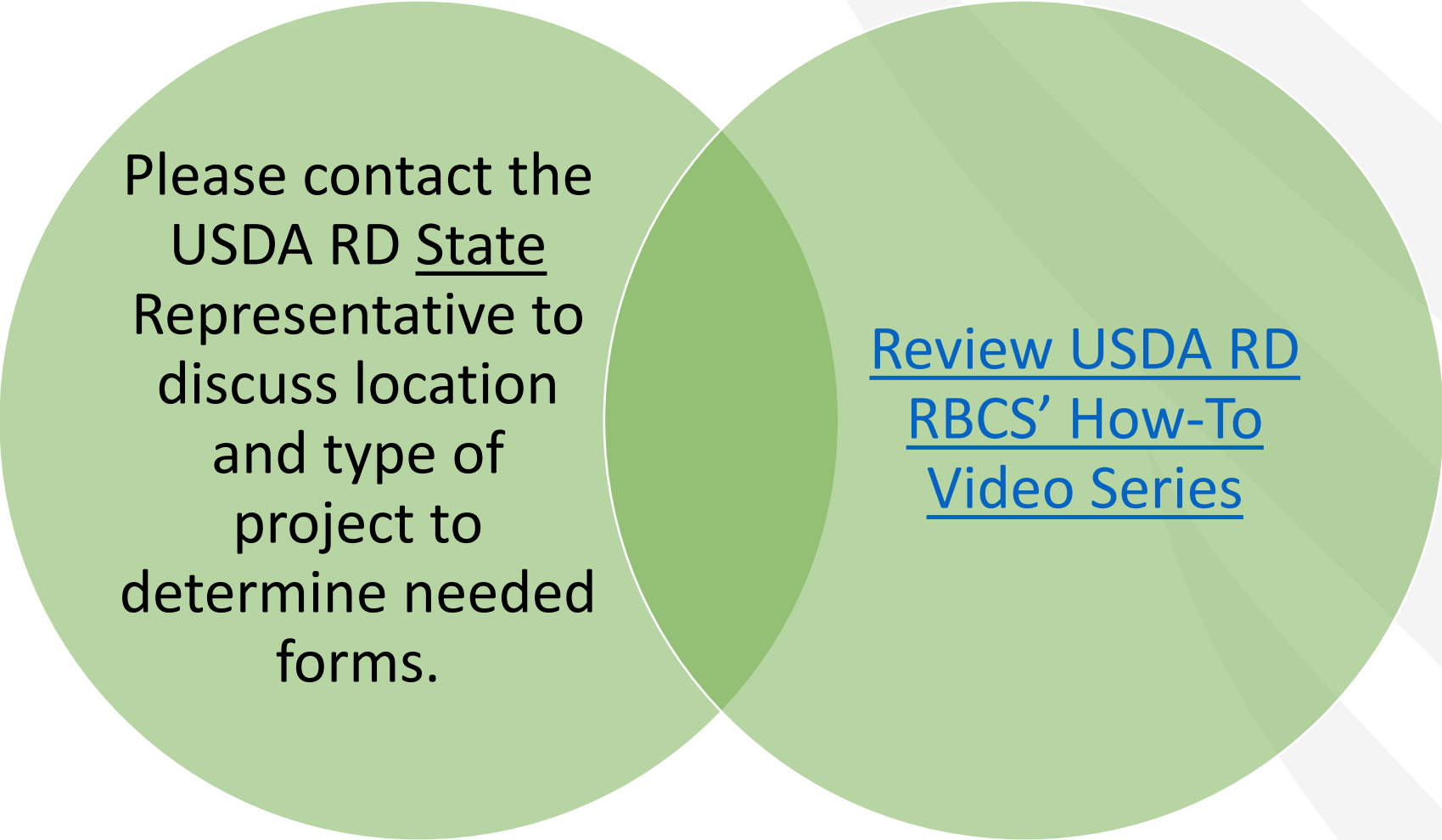




# RBDG Application

## 4280.427(a)

## SF 424 Application for Federal Assistance



Please contact the  
USDA RD State  
Representative to  
discuss location  
and type of  
project to  
determine needed  
forms.

[Review USDA RD  
RBCS' How-To  
Video Series](#)

# RBDG Application

## 4280.427(b)

### Organizational Documents

## Legal existence and grant authority

### Public Body

- Documentation of organization
- Attorney Opinion Letter
- Resolution passed by the board authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant documents.

### Native American Indian Tribe

- Documentation indicating the Tribe is listed on the Federally Recognized Native American Indian Tribes list as published annually in the Federal Register
- Attorney Opinion Letter
- Resolution passed by the Tribal Council authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant documents

### Non-Profits

- Articles of Incorporation or Organization (including any amendments)
- By-Laws (Including any amendments)
- Certificate of Good Standing from the Secretary of State. Certificate should be less than one-year-old
- Attorney Opinion Letter
- Resolution passed by the board authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant documents

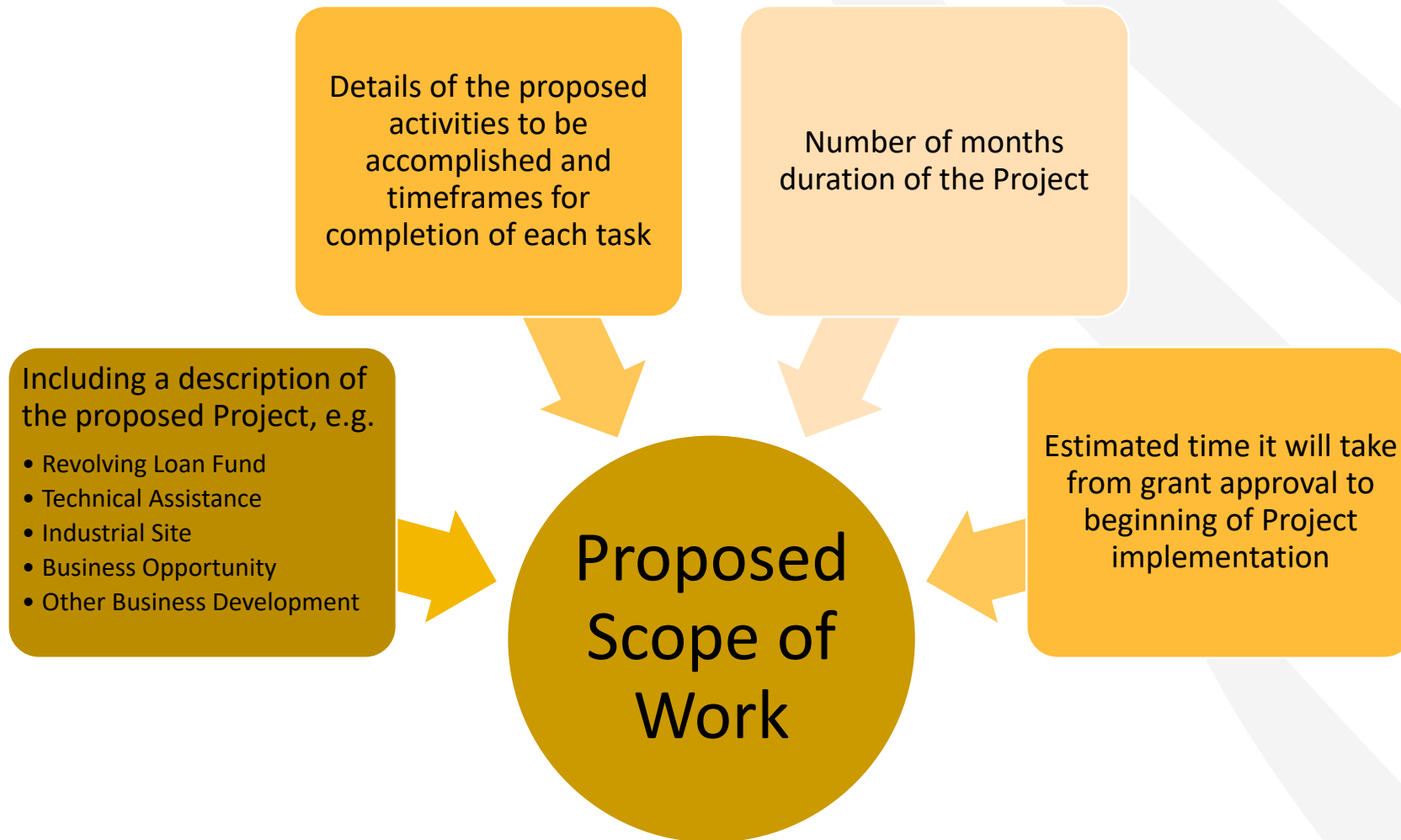
### The attorney's opinion letter should state the following at a minimum:

- 1. The applicant is duly organized, is in good standing, has the power to execute, deliver and perform its obligations under the grant documents and that there is no pending or threatened litigation that would adversely affect the applicant's ability to perform its obligations to Rural Development.
- 2. All actions by the applicant meet statutory requirements, no litigation threatens the applicant, and the project meets zoning laws.


# RBDG Application

## 4280.427(c)

### Scope of Work








# RBDG Application 4280.427(d) Written Narrative

A written narrative that includes, at a minimum, the following items:

- An explanation of why the Project is **needed**, the **benefits** of the proposed Project, and how the Project **meets** the grant eligible purposes;
- Area to be served, **identifying each municipal unit**, i.e. town, county, etc., to be affected by the Project;
- Description of how the Project will coordinate Economic Development activities with other Economic Development activities within the Project area;
- Business to be assisted, if appropriate, and Economic Development to be accomplished;
- An explanation of how the proposed Project will result in newly created, increased, or supported jobs in the area and the number of projected new and supported jobs within the next 3 years;
- A description of the applicant's demonstrated capability and experience in providing the proposed Project assistance or similar Economic Development activities, including experience of key staff members and persons who will be providing the proposed Project activities and managing the Project;
- The method and rationale used to select the areas and businesses that will receive the service;
- A brief description of how the work will be performed including whether organizational staff or consultants or contractors will be used; and
- Other information the Agency may request to assist it in making a grant award determination;




# RBDG Application 4280.427(e) Financial Information

Latest 3 years of financial information to show the applicant's financial capacity to carry out the proposed work.

If the applicant is less than 3 years old, at a minimum, the information should include all balance sheet(s), income statement(s) and cash flow statement(s).

A current audited report is required if available.



# RBDG Application


## 4280.427(f)

### Intergovernmental Review

Review is to determine if the project will affect any environmental impacts. i.e., historical, water systems, soils, protected/endangered species, waterways, etc.

Intergovernmental review comments from the State Single Point of Contact, or evidence that the State has elected not to review the program under Executive Order 12372

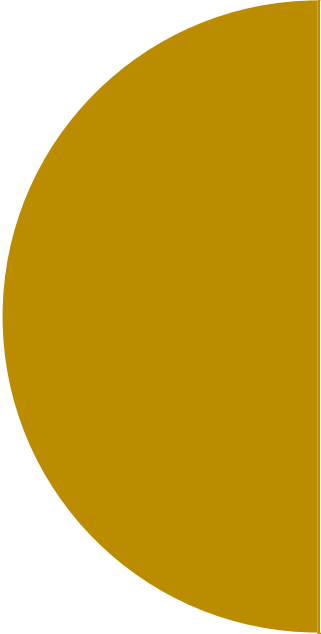
Discuss with State staff to determine information needed. Construction and renovation projects will need in depth information.



# RBDG Application

## 4280.427(g)

### Match



Documentation regarding the availability and amount of other funds to be used in conjunction with the funds from the RBDG, if providing.



# RBDG Application

## 4280.427(h)

### Budget

A budget which includes personnel salaries, fringe benefits, equipment, supplies, travel, contractual/consultant costs, indirect costs, and other appropriate costs and information for the Project.

Use Budget provided, if possible
Activities to be perform
Tasks within each Activity
For Costs, show how number was calculated
Person(s) Responsible
Start & End Dates
Grant Amount
Match Amount
Total Project Cost

# RBDG Application

## 4280.427(i)

### Construction

RBDG construction Project grants must conform with 7 CFR part 1924, subpart A requirements. Not an Inclusive list:

Planning	Performance	Development	Inspection	Changes	Warranty
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# RBDG Scoring



# Scoring (Application Review) Criteria

## 4280.435 Regulation and NOSA

In the Scoring slides,  
the text on the left is from the  
Regulation / NOSA  
and on the right is our rendition  
of what it means

- (a) Leveraging
- (b) Economic Distress
- (c) Population
- (d) Unemployment
- (e) Median Household Income
- (f) Experience
- (g) Small Business Start-up or Expansion
- (h) Jobs Created or Supported
- (i) Size of Grant Request
- (j) Indirect Cost
- (k) Discretionary Points





# Scoring (Application Review) Criteria

## 4280.435 Regulation and NOSA

Scoring information will need to be placed in specific application sections and/or weaved into written narrative.

Discuss using the Application Guide with your USDA RD state representative

RBDG Mapping Tool ([arcgis.com](https://arcgis.com))

# RBDG Scoring (Application Review) Criteria

## 4280.435(a) Leveraging (max 30 pts)

- If the grant will fund a critical element of a larger program of Economic Development, without which the overall program either could not proceed or would be far less effective, or if the program to be assisted by the grant will also be partially funded from other sources, points will be awarded as follows. If points are awarded for leveraging, funds must be spent proportionally, and if leveraged funds are not utilized proportionately with the grant, the Agency reserves the right to take any legal action, including terminating the grant.
- If Rural Development's portion of Project funding is:
  - Less than 20 percent—30 points;
  - 20 but less than 50 percent—20 points;
  - 50 but less than 75 percent—10 points; or
  - 75 percent or more—0 points.
- If an applicant contributes leveraged funds to a project, the application must contain a firm commitment in writing of other funding for the project or points will not be awarded to the application for leveraging.

**MUST have a firm commitment in writing of match for the project or points will not be awarded to the application.**

**Make sure letters are dated, signed, and typically on letterhead of entity providing funds.**

- Example Formula:
  - Rural Development Grant Funds Requested = \$50,000
  - Rural Development Grant Funds Requested **PLUS** Non-Federal Funds (Match) = \$75,000 (\$50,000 Grant + \$25,000 Match)
  - Rural Development Portion of Project Funding = 67% (\$50,000/\$75,000)
  - 10 Points Awarded for this example
  - Note: In this Example \$75,000 should be the Total Project Funds

# RBDG Scoring (Application Review) Criteria

## 4280.435(b) Economic Distress (max 40 pts)

- Points will be awarded for each of the following criteria met by the community or communities that will receive the benefit of the grant. However, regardless of the mathematical total of points indicated by [paragraphs \(b\)\(1\) through \(4\)](#) of this section, total points awarded under this [paragraph \(b\)](#) must not exceed 40.
- (1) **Trauma**. Experiencing trauma due to a major natural disaster that occurred not more than 3 years prior to the filing of the application for assistance—15 points;
- (2) **Economic distress**. The community has suffered a loss of 20 percent or more in their total jobs caused by the closure of a military facility or other employers within the last 3 years—15 points;
- (3) **Long-term poverty**. Has experienced Long-Term poverty as demonstrated by being a former Rural empowerment zone (EZ), Rural economic area partnership zone (REAP), Rural enterprise community (EC), champion community (CC), or a persistent poverty (PP) county as determined by USDA's Economic Research Serviced—10 points;
- (4) **Population decline**. Has experienced Long-Term population decline—10 points as demonstrated by the latest three decennial censuses.

PROVIDE DOCUMENTATION FOR EACH  
(PRINT SCREEN IF NECESSARY)

Reach out to State Staff for assistance.

[RBDG Mapping Tool \(arcgis.com\)](https://arcgis.com)

Trauma: Provide [FEMA designation number/map](#) if your project area has one  
(15 points)

Economic Distress: Did project area have a Military base/Employer exit with 20% or more loss in total jobs. (15 points)

(3) Long-Term Poverty: Project area in an [EZ/EC](#), CC, REAP, or [PP County](#) (list all that apply to project area)  
(10 Points)

(4) Long term population Decline: project areas latest 3 decennial census' - [2020, 2010, and 2000](#)  
(10 points)

## RBDG Scoring (Application Review) Criteria

### 4280.435(c) Population (max 15 pts)

- Proposed Project(s) will be located in a community of:
  - (1) Under 5,000 population—15 points;
  - (2) Between 5,000 and less than 15,000 population—10 points; or
  - (3) Between 15,000 and 25,000 population—5 points.

Find population from 2020 census for project area.  
Multiple sites will be averaged.



# RBDG Scoring (Application Review) Criteria

## 4280.435(d) Unemployment (max 20 pts)

PROVIDE DOCUMENTATION (PRINT SCREEN)

- Proposed Project(s) will be located in areas where the unemployment rate:
  - (1) exceeds the State rate by 25 percent or more—20 points;
  - (2) exceeds the State rate by less than 25 percent—10 points; or
  - (3) is equal to or less than the State rate—0 points.

### U.S. BUREAU OF LABOR STATISTICS

Local Area Unemployment Statistics Information and Analysis

Map Title: Unemployment rates by county, not seasonally adjusted

#### Local Area Unemployment Statistics Map

States (seasonally adjusted)	States (not seasonally adjusted)	Counties	Metro Areas
<b>Select dataview type:</b> <input checked="" type="radio"/> Unemployment Rate <input type="radio"/> 1 Month Net Change <input type="radio"/> 12 Month Net Change			
<b>Select Year:</b> 2023		<b>Select Month:</b> December	

Click County tab: Select State, Unemployment Rate, Year, and Month.

Click Draw Map. Scroll down to view information, Right click on information and select Print

States (seasonally adjusted)	States (not seasonally adjusted)	Counties	Metro Areas
<b>Select state:</b> Kentucky	<b>Select dataview type:</b> <input checked="" type="radio"/> Unemployment Rate <input type="radio"/> 12 Month Net Change	<b>Select Year:</b> 2023	<b>Select Month:</b> November
Not Seasonally Adjusted			
Draw Map			

# RBDG Scoring (Application Review) Criteria

## 4280.435(e) Median Household Income (max 25 pts)

- Proposed Project(s) will be located in areas where Median Household Income (MHI) as prescribed by section 673(2) of the Community Services Block Grant Act for a family of 4 for the State is:
  - (1) Less than poverty line—25 points;
  - (2) More than poverty line but less than 65 percent of State MHI—15 points;
  - (3) Between 65 and 85 percent of State MHI—10 points; or
  - (4) Greater than 85 percent State MHI—0 points.

PROVIDE DOCUMENTATION FOR EACH  
(PRINT SCREEN IF NECESSARY)

It would be beneficial to provide the following using State Non-metro Median Household Income (SNNMHI)

Provide the (SNNMHI) of Service Area and State and the Poverty level for project state.

# RBDG Scoring (Application Review) Criteria

## 4280.435(f) Experience (max 30 pts)

- Applicant has evidence of successful experience in the type of activity. Evidence of successful experience may be a description of experience supplied and certified by the applicant based upon its current employees' resumes:
  - 10 or more years-30 points;
  - At least 5 but less than 10 years-20 points;
  - At least 3 but less than 5 years-10 points; or
  - At least 1 but less than 3 years-5 points.

The personnel the applicant has identified to perform the duties of the project should highlight their previous experience that ties to items being performed and/or managed within the project.

Summarize in the Experience section of application and expand with the resume provided within the Appendices.

# RBDG Scoring (Application Review) Criteria

## 4280.435(g) Small Business Start-up or Expansion (max 25 pts)

Applicant has evidence that small business development will be supported by startup or expansion as a result of the activities to be carried out under the grant. Written evidence of commitment by a small, or a Small and Emerging Business must be provided to the Agency, and should include the number of jobs that will be supported and created. 5 points for each letter up to 25 points.

### Helpful Hints

**Letters should include the following:**

- Originate from the specific business that could potentially benefit
  - Describe how the project will benefit the business
- Provide the number of jobs the business will be able to create and/or support (save) as a result of the project (within three years (3) of the project). This is how (h) job numbers are verified.
- If/How the business meets definition of small and emerging (refer to slide 8)

Be mindful: Identical form letters signed by multiple potential beneficiaries and/or local organizations may not count.



# RBDG Scoring (Application Review) Criteria

## 4280.435(h) Jobs created or supported (saved) (max 25 pts)

- The anticipated development, expansion, or furtherance of business enterprises as a result of the proposed Project will create and/or support existing jobs associated with the affected businesses. The number of jobs must be evidenced by a written commitment from the business to be assisted.
  - One job for less than \$5,000—25 points;
  - One job for \$5,000 but less than \$10,000—20 points;
  - One job for \$10,000 but less than \$15,000—15 points;
  - One job for \$15,000 but less than \$20,000—10 points; or
  - One job for \$20,000 but less than \$25,000—5 points.

Jobs should be listed in Full Time Equivalents (FTE)  
 $35+\text{hours/week} = \text{FTE}$

Opportunity applications should include projected job numbers for the proposed project.

Enterprise Applications should have evidence the proposed project will support (save) and/or create jobs.

Formula for points (example):  
Amount of **Grant** Request = \$50,000  
Number of Jobs (Created+Saved) = 5  
\$ per job = \$10,000 (\$50,000/5)  
Points = 15



## RBDG Scoring (Application Review) Criteria

### 4280.435(i) Size of Grant Request (max 25 pts)

- Grant Projects utilizing funds available under this subpart of:
  - less than \$100,000—25 points;
  - \$100,000 to \$200,000—15 points; or
  - more than \$200,000 but not more than \$500,000—10 points.

- Grant requests for up to \$99,999 are acceptable.
- If requesting larger amounts, look at increasing your point score by strategically evaluating other scoring criteria.

- Be sure to detail expenses in your Work Plan and Budget.
- Make sure numbers correlate with SF 424 forms and internally consistent with the narrative.

# RBDG Scoring (Application Review) Criteria

## 4280.435(j) Indirect Cost (max 5 pts)

- Applicant is not requesting **grant** funds to cover their administrative or indirect costs-5 points.

Indirect costs are not tied to specific projects but are more general overhead costs such as rent, utilities, etc..

Administrative costs are connected with personnel providing support services for the applicant and is a subset of indirect costs because their service to the project is indirect. They are not only used for the project.

Staff conducting the project (e.g. trainer) would be considered direct personnel/fringe costs.

Up to 10% of the Budget can include Indirect Costs.  
For exceptions see 2 CFR 200.414.

# RBDG Scoring (Application Review) Criteria

## 4280.435(k) Discretionary Points (max 50 pts)

- 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 geographic distribution of funds, special Secretary of Agriculture initiatives such as Priority Communities, or a state's strategic goals.
- Discretionary points may only be assigned to initial grants.
- 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.

Applications competing for Discretionary points:

- At the state level-State Directors awards
- At National Office-RBCS Administrator awards

Tips:

- Provide narrative: how your project will address one or more "justifications".
- Project could be in Underserved or Distress Community.
- Discuss with your State Representative for Priority Communities and state strategic goals.
- Review [USDA Rural Development Key Priorities](#)
- Review FY 2024 NOSA Section E. (b) under Discretionary points for examples.

Discretionary points may only be assigned to an applicant once for an Opportunity and once for an Enterprise application.



# RBDG Project Examples

# RBDG-Enterprise Technical Assistance

## UNI Advance Iowa

### Strengthen Iowa Center for Employee Ownership (IA-CEO) foundation

Grant amount: \$78,267

- Assist the small & emerging businesses and subsequently promote rural communities to thrive.
- Provide the financial capacity for awareness of the worker cooperative business model as well as a supportive eco-system.



Eight (8) speaking engagements have been performed reaching a combined audience of 343 people since July 2023.



# RBDG-Enterprise Planning

## MORA San Miguel Rural Electric Cooperative



**Feasibility study to determine the best option for grocery store**

**Grant amount: \$17,387**

- New Mexico community lost its only grocery store in 2017
- Nearest full service grocery was over 50 miles away
- Co-op contributed \$2,500 towards the project



# RBDG-Enterprise Technical Assistance

## Northwest Cooperative Development Center (NWCDC)

- NWCDC worked with RD staffs in Washington, Idaho, and Oregon (NWCDC service area) in conjunction with co-op centric professionals: Washington State Grange, Jason Weiner PLCC, and South Sound Business Brokers.
- Grant provided seed funding for the Legacy Project in 2018.
- This project continues to provide educational workshops on the cooperative ownership model.
- Presentations were recorded and the videos are available.



# RBDG - Enterprise Business Incubator



## Kitchen Improvements & Equipment Upgrades

Grant amount: \$99,176

- Funded FY 2023
- Distressed Community
- Supporting food hub serving local food and beverage entrepreneurs in Cottage Grove, Oregon



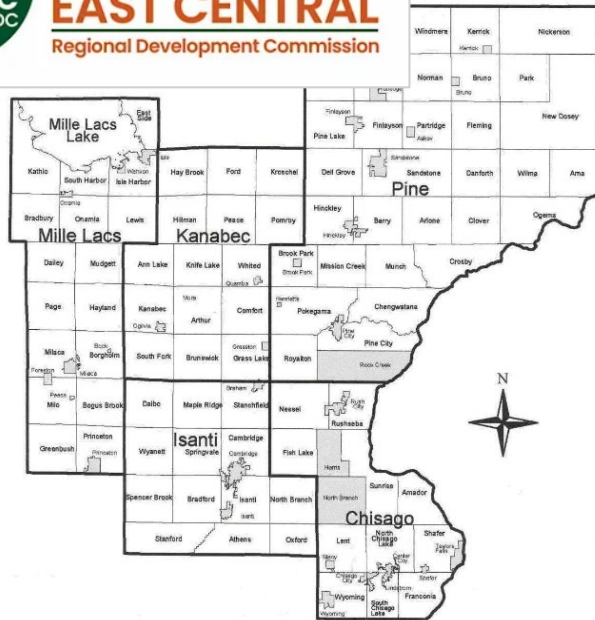
17 Jobs created with 7 local businesses and 2 farmers assisted



# RBDG - Enterprise Revolving Loan Fund



**EAST CENTRAL**  
Regional Development Commission



## Establish Regional Revolving Loan Fund

Grant amount: \$99,900

- Funded in FY 2023
- Loans to new & expanding businesses in five county region in Minnesota



10 jobs created/12 saved with 3  
businesses assisted

# How to Apply: Resources

Utilize the [RBDG Mapping Tool \(arcgis.com\)](https://arcgis.com)

Visit the [How-To Video Series for Applicants](#)

Contact State [Rural Development staff](#)  
with any RBDG questions





# How to Apply SAM.gov Tips

## Start SAM.gov registration now/early

- Your application EIN and the EIN in sam.gov must match or the entity may be deemed ineligible

## SAM.gov

- [Entity Registration Checklist](#)

## Any issues/questions

- Call SAM help desk 866-606-8220  
Monday - Friday  
from 8am - 8pm  
Eastern

## **IMPORTANT SAM Registration:**

When an entity begins the process to register in SAM, they have a screen with three choices:

- **Register for Financial Assistance Awards Only** – this is the most common for RD customers
- **Register for All Awards** – this is also acceptable for RD customers to obtain a SAM Registration
- **Get a Unique Entity ID Only** – *this is NOT ACCEPTABLE – it is NOT A SAM REGISTRATION*





Questions?



USDA is an equal opportunity provider, employer, and lender.