



QUICK GLANCE FACT SHEET

Rural Business Enterprise Grants (RBEG)

Eligible Entities:

- Public bodies, private non-profit corporations and Federally-recognized Indian Tribes serving rural areas. For-profit businesses are ineligible applicants.

Eligible areas:

- Rural areas are defined as any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such city or town.

Who must the grant assist?

- The grant must assist specifically identifiable **small and emerging private business enterprises**. Defined as “Generally any private business which will employ 50 or fewer new employees; has less than \$1 million in projected gross revenues; has, or will utilize, technological innovations and commercialization of new products that can be produced or manufactured in rural areas; and new processes than can be used in such production.”

What type of activities can be funded?

- Technical Assistance for small business enterprises. Technical assistance is defined as a problem solving activity, such as market research, product and/or service improvement, or completing a feasibility study.
- Capital expenditures to assist in the development of small businesses.
- Relending loan programs which provide financing to small businesses.
- Create, expand, or operate rural distance learning networks.

What types of activities cannot be funded?

- Promotion of an area to attract businesses.
- Funding comprehensive areawide type planning.
- Financing agriculture production.

What are the priorities for this program?

- Communities with less than 25,000 population.
- Communities where the unemployment rate exceeds the State unemployment rate by 25% or more.
- Communities where the median household income is less than the State MHI.
- Applicants has substantial experience in administering rural economic development
- Nonfederal funds are being utilized.
- Projects that will create and/or save one or more jobs for every \$25,000.
- Projects less than \$200,000
- Written evidence that small business development will occur as a result of the grant.
- Because of funding limitations, projects are usually less than \$150,000.

PLEASE REFER TO FmHA INSTRUCTION 1942-G FOR THE COMPLETE REGULATIONS.
http://rdinit.usda.gov/reg/regs_toc.html#1942