



USDA Rural Development Business and Cooperative Programs

RURAL BUSINESS OPPORTUNITY GRANTS

PURPOSE

The purpose is to promote sustainable economic development in rural communities with exceptional needs. This is accomplished by making grants to pay costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials.

ELIGIBILITY

To be eligible for a Rural Business Opportunity Grant (RBOG), you must be a public body, nonprofit corporation, Federally-recognized Indian tribal group, or cooperative with members that are primarily rural residents. You must have significant expertise in the activities you propose to carry out with the grant funds and financial strength to ensure you can accomplish the objectives of the proposed grant. You must be able to show that the funding will result in economic development of a rural area. Rural areas are any areas 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 a city or town, as defined by the U.S. Bureau of the Census using the latest decennial census of the United States. Your project must include a basis for determining the success or failure of the project and assessing its impact.

USE OF GRANT FUNDS

- ◆ Identify and analyze business opportunities that will use local rural materials or human resources, including export markets, feasibility and business plan studies.
- ◆ Identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers.
- ◆ Establish business support centers and otherwise assist in the creation of new rural businesses.
- ◆ Conduct local community or multi-county economic development planning.
- ◆ Establish centers for training, technology, and trade that will provide training to rural businesses in the utilization of interactive communications technologies to develop international trade opportunities and markets.
- ◆ Conduct leadership development training of existing or prospective rural entrepreneurs and managers.
- ◆ Pay reasonable fees and charges for professional services necessary to conduct the technical assistance, training, or planning functions.

Grant funds may not be used for:

- Duplication of current services or to replace or substitute support previously provided.
- Pay costs of preparation of application.
- Costs incurred prior to effective date of the grant.
- Fund political activities.
- Acquisition of real estate, building construction or development.

SELECTION PROCESS

Projects eligible for RBOG funding compete based on certain grant selection criteria. Priority points are awarded to those projects that best meet these criteria and are ranked from the highest to the lowest scoring.

Selection factors are:

- Sustainability
- Improvements in the quality of economic activity
- Commitment of nonfederal funding sources
- Natural disaster designation
- Major structural changes in the local economy
- Long-term poverty
- Long-term population decline
- Long-term job deterioration
- Usefulness as a new best practice
- State Director discretionary points

MAXIMUM AND MINIMUM GRANT AMOUNTS

- No minimum
- \$50,000 maximum

APPLICATION PROCESS

You may request additional information and copies of regulations and forms, as well as file applications, with your local USDA Rural Development Local Office for established application deadlines and application assistance.

CONTACT INFORMATION

To obtain addresses and telephone numbers of the nearest USDA Rural Development Local Office by you, visit: <http://www.rurdev.usda.gov/tx/officeinfo.htm>