

Rural Business Enterprise Grant Program

PURPOSE

The purpose of the Rural Business Enterprise Grant program is to finance and facilitate development of small and emerging business enterprises in rural areas. This is achieved by providing grants to Public Bodies and private nonprofit corporations, which are further described below.

DEFINITIONS

Rural and Rural Areas. Includes all areas of the State that are not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States.

Small and Emerging Private Business Enterprise. Generally, any private business that employs 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/manufactured in rural areas; and new processes that can be used in such production

Technical Assistance. A function performed for the benefit of a private business enterprise and which is a problem solving activity, such as market research, product and/or service improvement, feasibility study, etc.

Television Demonstration Program. Grants made for television programming developed to demonstrate the effectiveness of providing information on agriculture and other issues of importance to farmers and other rural residents.

ELIGIBLE APPLICANTS

Rural Business Enterprise Grants may be made to Public Bodies and private nonprofit corporations serving rural areas. Public bodies include States, counties, cities, townships and incorporated towns and villages, boroughs, authorities, districts and Indian Tribes on Federal and State Reservations and other Federally recognized Indian Tribal groups in rural areas. Additionally, At least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.

MAXIMUM AMOUNT OF GRANT

The statutory limit is \$1.5 million, but the size of grants approved is limited by the amount of funds available.

ELIGIBLE USES

Grant funds may be used to finance and/or develop small and emerging private enterprises in rural areas including, but not limited to the following:

- Acquisition and development of land, easements, and rights-of-way
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, pollution control and abatement facilities
- Technical assistance for private business enterprises, including training when needed
- Reasonable fees and charges for professional services necessary for the project including packaging. Services must be provided by individuals licensed in accordance with appropriate State accreditation associations.
- Providing financial assistance to third parties through a loan. This includes loans for startup operating cost and working capital.

- Refinancing of debts exclusive of interest incurred by or on behalf of an association before an application for a grant when all of the following exist:
 - The debts were incurred for the facility or part thereof or service to be installed or improved with the grant, and
 - Arrangements cannot be made with the creditors to extend or modify the terms of the existing debt.
- Production of television programs to provide information on issues of importance to farmers and rural residents.
- Create, expand, and operate rural distance learning networks or rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement for adult students.

INELIGIBLE USES

- To produce agricultural products through growing, cultivating, and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects.
- To finance comprehensive area wide type planning.
- For loans by grantees when the rates, terms, and charges for those loans are not reasonable.
- For programs operated by cable television systems.
- To fund a part of a project that is dependent on other funding unless there is a firm commitment of the other funding.

APPLICATION INFORMATION

To develop an application, obtain a copy of the complete program regulation and refer to the application section. Briefly, an application must include a Form SF424.1, Application for Federal Assistance (for non-construction), a copy of your organizational documents, a scope of work, a written narrative, and a financial statement. Request for applications are announced on an annual basis in the Federal Register.

APPLICATION SELECTION

Consideration will be given to applications based on a priority score. Points will be allowed only for factors indicated by well documented, reasonable projects that, in the opinion of RBS, provide assurance that the items have a high probability of being accomplished.

APPLICATION SUBMISSION

You may file applications with the USDA Rural Development State Office:

Rural Development
 Attn: Business & Community Programs
 4949 Kirschling Court
 Stevens Point, WI 54481
 (715) 345-7610 phone
 (715) 345-7616 fax

ADDITIONAL INFORMATION

You can obtain additional information, copies of the regulation, and forms by contacting the USDA Rural Development State Office by calling 715-345-7610 or e-mailing RD.BCP.SO@wi.usda.gov. Visit us on the web at <http://www.rurdev.usda.gov/wi> or <http://www.rurdev.usda.gov/rbs/busp/rbeg.htm>.