

Revolving Funds for Financing Water and Wastewater Projects Grant Program 2025 Application Guide

Instructions and notice to applicants:

- This guide is intended to help you. Using it will not favorably impact your application.
- Regardless of whether or not you use the guide, you must complete and submit all required federal forms and registrations, and include documentation that supports applicant and project eligibility claims, priority points, and verifications of reserved and matching funds.
- You must provide complete responses to all questions in the application.
- Incomplete applications **will not** be considered for funding.
- Certifications, statements, and other standard terms used in this guide (examples include “you,” “I,” “we,” “it,” “applicant,” “entity,” and “grantee,” among others) refer to the **legal entity** applying for the Revolving Fund Program grant. By checking, signing, or otherwise acknowledging these elements, you confirm they are true and correct.
- The application window for this program is open **July 9, 2025, through August 7, 2025**. To be considered for Revolving Fund Program grant funding, you must submit your complete, signed application and all required documents no later than **11:59 p.m. eastern time on August 7, 2025**.

NOTE: The information requested in this application guide is being collected and will be used by USDA Rural Development’s Rural Utilities Service (RUS) to determine eligibility for grants and to meet reporting requirements. According to the Paperwork Reduction Act (available at this link: pra.digital.gov/), you are not required to respond to a request for collection of information unless the request displays a valid Office of Management and Budget (OMB) control number. The valid OMB control number associated with this information collection is 0572-0138.

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Section 1: The Revolving Fund Program

1.1 Introduction

The Revolving Fund Program (RFP) is designed to help communities expand and improve water or wastewater systems using short-term loans to subgrant recipients. Qualified private, nonprofit organizations use RFP grant funds to establish a revolving loan fund. These organizations then provide loans to eligible entities for predevelopment costs or short-term, small capital projects not part of the regular operation and maintenance of existing water and wastewater systems. For eligibility information, see the Fiscal Year 2025 Notice of Funding Opportunity (NOFO), available under the “Overview” tab at this link: tinyurl.com/2zmjus88.

The amount of financing to an eligible entity cannot not exceed \$200,000 – or 75 percent of the total cost of a project, whichever is less – and must be repaid within 10 years. The total outstanding balance for all loans under this program to any one entity cannot exceed \$200,000. The interest rate is determined by the grant recipient and must be approved by USDA Rural Development Rural Utilities Service.

In this guide, you will find the following information:

- Application process and deadlines
- Components of a complete application
- Scoring criteria and application review process

1.2 Authorization

The RFP is authorized by Section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act (CONACT – 7 U.S.C. 1926 (a), available at this link: go.usa.gov/xJDZU).

The regulation that governs the RFP is 7 CFR Part 1783, *Revolving Funds for Financing Water and Wastewater Projects (Revolving Fund Program)*, available at this link: go.usa.gov/xJDZs. The statute and regulation take precedence over the interpretation of any information in this guide. This guide is to be used in conjunction with 7 CFR Part 1783.

1.3 Fiscal Year 2025 Funding Availability

Fiscal Year 2025 funding is determined by Congress and will be released when the budget is approved. Historically, funding for this program is \$1 million annually.

1.4 Contact

USDA Rural Utilities Service's Water and Environmental Programs (WEP) staff administers the RFP. If you have questions, contact the Grant Manager early in your application process.

Email: Water-RD@usda.gov

If you need an alternative way to receive and understand program information (such as Braille, large print, audiotape, or American Sign Language, for instance), contact the WEP staff or USDA TARGET Center by emailing target-center@usda.gov, or by calling toll-free (844) 433-2774.

1.5 Online Resources

Additional information about the RFP is available at this link: go.usa.gov/xJDZu.

Additional application guidance is available in the Fiscal Year 2025 NOFO, available at this link: grants.gov/. The RFP application package can be found by searching for funding opportunity number **RDRUS-25-RFP**.

Section 2: Requirements for a Complete Application

2.1 Preparing Your Application

All applicants must be eligible entities, and must submit a complete application by the deadline stated in Section 2.3. See 7 CFR 1783.5 (available at this link: go.usa.gov/xJDB8) for eligibility criteria. Additionally, applicants must have no delinquent federal debt and no outstanding judgments to repay a federal debt.

Grant funds can be used for the purposes listed in:

- 7 CFR 1783.1 (available at this link: go.usa.gov/xJDBE)
- 7 CFR 1783.12 (available at: go.usa.gov/xJDBd),

Awardees must comply with 1783.13 (available at this link: go.usa.gov/xJDBe) and 1783, Subpart C (available at this link: go.usa.gov/xJDBu).

In order to prepare the budget and successfully complete other parts of your application, you must consult the cost principles and general administrative requirements for grants based on your organization type (See 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – available at this link: go.usa.gov/xJjq4).

You must also demonstrate compliance – or intent to comply – with a number of public policy requirements using certification or other means described in this application guide, in the NOFO, or at grants.gov.

2.2 Application Components

2.2.1 Required Forms

- The Standard Form 424 family of documents – all required to complete your application – can be found on Grants.gov at this link: tinyurl.com/RD-SF424
 - a. Standard Form 424, *Application for Federal Assistance*
 - b. Standard Form 424A, *Budget Information for Non-Construction Programs*
 - c. Standard Form LLL, *Disclosure of Lobbying Activities*
- Other forms and information as listed in 7 CFR 1783 are available at this link: go.usa.gov/xJDKC

2.2.2 Project Proposal

Your project proposal must outline the project with enough detail to provide the evaluator with a complete understanding of how your proposed project will work. The proposal must explain what your project will accomplish by lending funds to eligible entities. Your proposal must demonstrate the feasibility of the proposed loan program in meeting RFP objectives.

Your proposal must cover the following elements:

1. **Project Summary** – Present a brief project overview.
 - a. Explain the purpose of your project and how it relates to the purposes of the RFP grant program.
 - b. Describe how you will carry out the project, what the project will produce, and who will direct it.
2. **Needs Assessment** – Describe why the project is necessary.
 - a. Demonstrate that eligible entities need loan funds.
 - b. Describe the service area in relation to specific water and wastewater needs that will be met by the project.
 - c. Provide statistical or other supporting documentation to justify the needs.
 - d. Quantify the number of prospective borrowers, or provide statistical or narrative evidence that a sufficient number of borrowers exists to justify the grant award.
 - e. Describe the service area, including the names of communities to be served, population, and median household income (MHI).
 - f. Address the specific needs of the proposed service area.
3. **Project Goals and Objectives** – State your project goals.

- a. Your objectives must describe your project goals clearly enough to be to be quantitative or observable.
 - b. Goals must be feasible and relate to the purpose of the RFP grant program.
4. **Project Narrative** – This must be more detailed than your project summary.
- a. Demonstrate your experience and expertise in carrying out a revolving loan fund for rural water and wastewater systems. In describing what your project will achieve, explain if it also will have a broader influence.
Your project narrative must:
 - Document your ability to manage and service a revolving loan fund following 7 CFR Part 1783 (available at this link: [go.usa.gov/xJDZs](https://www.go.usa.gov/xJDZs)).
 - Describe the systems in place to cover the full life cycle of a loan, from origination through servicing. If a servicing contractor will handle the loan portfolio, that arrangement and the services provided also must be described.
 - b. Show evidence of the availability of funds from sources other than the RFP grant, itself.
 - Note all contributions the project will receive from your organization, local, state, and other federal agencies, nongovernmental organizations, private industry, and individuals.
 - Describe how these contributions will be used to pay your operational costs and provide financial assistance for projects.
 - c. List the interest rate and any other fees or charges your borrowers will be assessed. Describe how those fees and charges are determined.

2.2.3 Work Plan

Your work plan or scope of work must describe the tasks and activities that will be accomplished with available resources during the grant period.

It must show the work you plan to do to achieve the intended outcomes, goals, and objectives set out for the RFP grant program. Your plan also must:

- a. Describe the work to be performed by each person.
- b. Provide a schedule or timetable of work to be done.
- c. Show evidence of previous experience with the techniques to be used.

- d. Outline the revolving loan program. Include specific loan purposes, the loan application process, priorities, borrower eligibility criteria, limitations, fees, interest rates, terms, collateral requirements, and servicing policies. You can do this by providing a copy of your program operations policies, but you must include all of the information listed here.
- e. Provide a marketing plan.
- f. Explain how you will transfer funds to revolving fund borrowers.
- g. Describe ongoing or follow-up activities that will occur after project completion (such as monitoring and reporting borrowers' accomplishments). Include policies for addressing delinquencies.
- h. Using your project objectives, describe how project results will be evaluated to measure the success of the RFP.
- i. List all personnel responsible for administering the RFP. Include a statement of each person's qualifications and experience.

2.2.4 Budget and Budget Justification

The written justification for projected costs must explain how you determined budget figures for each category. It also must indicate which costs are to be covered by grant funds, and which costs will be met by your organization or non-RFP sources. The justification must account for all expenditures in your narrative, and it must reflect appropriate cost-sharing contributions.

The budget justification must explain your budget and accounting system – whether proposed or already in place. The administrative costs for operating the budget must be expressed as a percentage of the overall budget. The budget justification must provide specific budget figures, rounding to the nearest dollar.

See 2 CFR Part 200, Subpart E, *Cost Principles*, (available at this link: [go.usa.gov/xMvaQ](https://www.govinfo.gov/sequence.do?seqNum=1)) for information about appropriate cost principles for each budget category.

2.2.5 Required Information Not Found on Standard Application Forms

In addition to completing all standard application forms, you must submit the following supplementary materials:

1. **Evidence of legal existence.** Demonstrate that your organization is legally recognized under state and federal law as a private, nonprofit organization.
 - a. The documentation must show you have the legal authority to enter into a grant agreement with USDA Rural Development's Rural Utilities Service, and to perform the activities proposed under the grant application.

- b. Among other items, satisfactory documentation includes certificates from the Secretary of State, copies of state statutes or laws establishing your organization, and copies of your organization's articles of incorporation and bylaws. **NOTE:** Letters from the IRS awarding tax-exempt status are **not** considered adequate evidence.
2. **A list of your board of directors and officers.** Submit a certified list of current directors and officers. Include their respective terms of service.
 3. **A list of Entity Principals and their respective terms.** Refer to below chart for the minimum principals to be included listed by entity type.

Entity Type	Minimum Principals to be Screened
Institutions of Higher Education	President/Dean and any person who will be accepting/distributing the federal funds; plus, Chairman/President and Treasurer of the governing board
Federal tribes	Tribal Chairman or equivalent, plus Treasurer or any person who will be accepting and distributing the Federal funds
Non-profits	Chief Executive Officer (CEO)/Director/Executive Director, Chief Financial Officer (CFO), and any person who will be accepting/distributing the Federal funds; plus, Chairman/President and Treasurer of the governing board
Private Entities (other than those listed elsewhere)	Director/Executive Director and person who will be accepting/distributing the federal funds
Public bodies such as towns, counties, or districts	Mayor/Town Manager/Executive Director and Person accepting and distributing the Federal funds; plus, Chair of the city, town or county council and Treasurer

4. **IRS tax-exempt status.** Submit evidence of this status from the IRS.
5. **Audit.** As directed 2 CFR Part 200, Subpart F, *Audit Requirements*, (available at this link: go.usa.gov/xJDqN) you must submit your organization's most recent, independently conducted audit. A link for website access to an audit is not acceptable.
6. **Financial statements.** Submit the following:
 - Balance sheets, income statements, and cash flow statements covering the last three years. **NOTE:** If your organization was formed fewer than three years ago, submit financial statements from the date it was formed up to the present, including pro forma statements at the time the organization was established.
 - Projected income and cash flow statements for at least three years, supported by a list of assumptions showing the basis **ONLY** for the revolving loan fund projections. Also include a separate set of financial projections illustrating the organization's total operations.
7. **Other Organizational Documents.** If your organization is contracting with an affiliated organization, provide the contract or legal documents that illustrate the

affiliation between the contractor and your organization. If you have questions about this requirement, contact us as noted in section 1.4 of this guide.

8. **Additional supporting information.** You can submit additional information to support and describe your plan for achieving grant objectives.

This information is regarded as essential for understanding and evaluating your projects, and can include such things as letters of support, resolutions, your revolving fund policies, and so on. This supplemental information can be presented in appendices to your proposal.

Section 3: Application Submission Process

3.1 Electronic Filing

Applications must be filed electronically using Grants.gov (available at this link: [grants.gov](https://www.grants.gov)). The RFP application package can be found by searching for the funding opportunity number RDRUS-25-RFP.

NOTE: We will not accept applications by email or fax. If you have questions, see Section 1.4 for contact information.

3.2 Actions Required Prior to Submitting Your Application

You are required to get a Unique Entity ID (UEI) and maintain active registration in the U.S. Government's System for Award Management (SAM) database, available at this link: sam.gov/help. Your registration must be renewed and revalidated every 12 months for as long as you have an active loan, guaranteed loan, or grant with USDA Rural Development Rural Utilities Service.

To ensure your information is current, accurate, and complete, and to prevent SAM account expiration, reviews and updates must be performed within one year of the initial account activation date. The registration process can take up to 10 business days to complete. Additional information about SAM is found in 2 CFR Part 25, *Universal Identifier and System for Award Management*, available at this link: [tinyurl.com/2CFR-25UEI](https://www.tinyurl.com/2CFR-25UEI). You can also check the "Help" section at SAM.gov.

3.3 Application Window

The FY 2025 application window opens on July 9, 2025. To be considered for FY 2025 funding, your application must be time-stamped electronically on [grants.gov](https://www.grants.gov) no later than 11:59 p.m. Eastern Standard Time on August 7, 2025.

Late or incomplete applications are not eligible for funding.

NOTE: If a filing deadline date falls on a weekend or a federal holiday, it will be extended to the next business day.

Section 4: The Application Review Process

4.1 Acknowledging Receipt of your Application

USDA Rural Development will acknowledge receipt of your application by email. All applications are reviewed for completeness. You will be notified in writing if your application is incomplete, and no further action will be taken. If your application is determined to be ineligible, we will notify you with an explanation.

4.2 Evaluating your Application

A team comprised of at least two USDA Rural Development Rural Utilities Service employees will independently evaluate all applications and proposals. The team will score applications using criteria outlined in Section 4.3 and will base its recommendations on factors such as eligibility, clarity, detailed information, application completeness, and conformity to application requirements.

4.3 Scoring Criteria

Your application and supporting information will be used to determine your priority for available RFP funds. Points are given only for well-documented factors in your application package and those that – in the opinion of the reviewers – meet the objective outlined under each factor in 7 CFR Part 1783.9 (“Scoring Applications” – available at this link: [go.usa.gov/xJDkb](https://www.go.usa.gov/xJDkb)) and as outlined below.

The scoring criteria and points system will be used as follows:

1. Degree of expertise and experience in making and servicing commercial loans, with a record of success. **Up to 30 points possible.**
2. Percentage of applicant contribution. Points are based on written evidence of the availability of funds from sources other than the proceeds of an RFP grant to pay part of the cost of a loan recipient’s project. In-kind contributions will not be considered. Funds from other sources as a percentage of the RFP grant and points corresponding to those percentages are as follows: **Up to 20 points possible.**
 - a. Less than 20 percent **ineligible**
 - b. At least 20, but less than 50 percent **10 points**
 - c. 50 percent or more **20 points**
3. Extent to which your work plan demonstrates a well-thought-out, comprehensive approach to accomplishing the objectives of 7 CFR Part 1783, clearly defines who will be served by the project or program, clearly articulates the problems or issues that will be addressed, identifies the service area to be covered by RFP loans, and appears likely to be sustainable. **Up to 40 points possible.**

4. Extent to which your goals and objectives are clearly defined, are tied to the needs defined in your needs assessment, are tied to the work plan, and are measurable. **Up to 15 points possible.**
5. Lowest ratio of projected administrative expenses to loans advanced. **Up to 10 points possible.**
6. Evidence that evaluation methods for considering loan applications and making RFP loans are specific to the program, clearly defined, measurable, and consistent with RFP outcomes. **Up to 20 points possible.**
7. Administrator's discretionary points. In order to be considered for administrative points, your work plan **must** include a separate section titled "Administrative Points." Administrator's discretion, considering such factors as creative outreach ideas for marketing RFP loans to rural residents; the amount of funds requested in relation to the amount of needs demonstrated in the work plan; previous experiences demonstrating excellent utilization of a revolving loan fund grant; and optimizing the use of agency resources. **Up to 10 total points possible.**

4.4 Application Selection

USDA Rural Development Rural Utilities Service will rank qualifying applications by final score. Applications are selected based on the highest ranking, plus on funding availability. USDA reserves the right to not award RFP grant funding if applications are incomplete or earn low scores. All applicants will be notified of their selection status.

4.5 Possible Application Actions

USDA Rural Development will decide among the following:

- Eligible, and selected for funding
- Eligible, but offered fewer funds than requested
- Eligible, but not selected for funding
- Ineligible

4.6 Appeals Process

Following direction in 7 CFR Part 1900, Subpart B, *Adverse Decisions and Administrative Appeals*, (available at this link: [go.usa.gov/xJDaW](https://www.go.usa.gov/xJDaW)), applicants generally have the right to appeal adverse decisions. However, some adverse decisions – such as a denial due to lack of available RFP grant funds – cannot be appealed.

Applicants can request review of a decision by the National Appeals Division (NAD). The appeal must be received within the proper timeframe as directed in 7 CFR Part 1900, must be in writing, and filed with the appropriate NAD regional office. A list of

regional offices is available at this link: [usda.gov/oha/nad/contact](https://www.usda.gov/oha/nad/contact). You can call NAD toll-free at (877) 487-3262.

Appendix: Rules and Regulations

- 7 CFR Part 1783, *Revolving Funds for Financing Water and Wastewater Projects (Revolving Fund Program)* – available at this link: go.usa.gov/xJDC8
- 7 CFR Part 1900, Subpart B, *Adverse Decisions and Administrative Appeals* – available at this link: go.usa.gov/xJDaW
- 7 CFR Part 1b, *National Environmental Policy Act* – available at this link: [7cfr1b](https://www.ecfr.gov/7cfr1b)
- 2 CFR Part 25, *Universal Identifier and System for Award Management* – available at this link: tinyurl.com/2CFR-25UEI
- 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* – available at this link: go.usa.gov/xJjq4
- 2 CFR Part 400, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* – available at this link: go.usa.gov/xJDrv
- 2 CFR Part 417, *Nonprocurement Debarment and Suspension* – available at this link: go.usa.gov/xJjgs
- 2 CFR Part 421, *Requirements for a Drug-free Workplace (Financial Assistance)* – available at this link: go.usa.gov/xJj4T
- Code of Federal Regulations – available at this link: [ecfr.gov/](https://www.ecfr.gov/)

Civil Rights Information

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992.

Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

July 2025