

USDA Rural Development Rural Business Development Grant Application Toolkit



USDA Rural Business Development Grant

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Background

USDA Rural Development is charged with assisting in the startup, development and expansion of small and emerging businesses in rural communities. Rural Development supports this portion of the overall mission through the Rural Business Development Grant (RBDG) program.

Rural Development makes RBDGs to public bodies, non-profit corporations and federally recognized Indian Tribes so that they may support the development and/or expansion of small and emerging businesses in rural communities. There are two types of RBDG projects, Enterprise grants and Opportunity grants. Enterprise type grants must be used on projects to benefit small and emerging businesses in rural areas. Opportunity type grants are limited to up to 10 percent of the total Rural Business Development Grant annual funding.

Enterprise Grant type funds may be used to: Acquire or develop land, buildings, plants, equipment; access streets and roads, parking areas, utility extensions, necessary water and supply and waste disposal facilities; provide technical assistance; establish revolving loan funds; and to create, expand, or operate rural distance learning programs that provide educational or job training instruction related to potential employment or job advancement to adult students.

Opportunity Grant type funds are made to analyze rural business (small and emerging or larger business) opportunities, identify and/or provide training opportunities to rural entrepreneurs, conduct leadership development, establish training or technology centers and conduct technical assistance or area-wide planning activities.

Please submit the application via mail or electronic format.

USDA Rural Development home page is:

<http://www.rd.usda.gov/>

USDA Rural Development State Office Contact home page is:

<https://www.rd.usda.gov/about-rd/offices/state-offices>

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Checklist

Before submitting your application, please ensure that you have completed the following:

SAMS Registration

All applicants for federal grant funding must register in the System for Award Management (SAM) database, at <https://www.sam.gov>, whether applying electronically or by paper, and at no cost. Registration may take 1-1.5 hours to complete and requires a UEI #, tax ID and business name, statistical and financial information about the business (including number of employees and annual receipts for each of previous 3 years), and Electronic Funds Transfer information for payment of grant disbursements to grantee (Routing #, Account #, ACH contact). Registration activation will take 1-5 days with an established tax ID; OR 2-5 weeks if a new Employer Identification Number is used. A cage code number and expiration date will be provided when the registration is activated and *must* be included in your RBDG application information. For technical assistance, call the toll-free assistance line at 1-866-606-8220 and press “1.”

Enter the registration cage code and expiration date in field 5(a), “Federal Entity Identifier,” on Form SF-424, Application for Federal Assistance.

This registration must remain active, with current information, at all times during which an entity has an application under consideration by an Agency or has an active Federal Award. To remain registered in the database after the initial registration, the applicant is required to review and annually update its information in the database to ensure it is current, accurate and complete.

Required Forms:

- [Form SF-424, “Application for Federal Assistance”](#)
- [Form SF-424A, “Budget Information-Non-Construction Programs”](#)
- [Form SF-424B, “Assurances for Non-Construction Programs”](#)
- [Form SF-424C, “Budget Information for Construction Programs”](#) (Construction Projects only)
- [Form SF-424D, “Assurances for Construction Programs”](#) (Construction Projects only)
- [Form RD 400-4, “Assurance Agreement”](#)
- [RD Inst. 1940-Q, EXH A-1, “Certification for Contracts, Grants, & Loans”](#)
- [Section 6025 Strategic Economic and Community Development Information](#)
(Verify with USDA if appropriate for your project)

Environmental Requirements:

- Environmental Information Packet: Consult USDA for project appropriate material
- Intergovernmental Review Comments: Consult USDA for state specific requirements

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Non-Profits: Include in Appendix A:

- Articles of Incorporation (including any amendments)
- Bylaws (including any amendments)
- Current (within 12 months) Certificate of Good Standing issued by the appropriate Secretary of State
- Board Resolution authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant documents

Public Bodies: Include in Appendix A:

- Documentation of organization (dated established if other than city, county, or state government)
- Resolution passed by the governing board authorizing entity to apply and administer the RBDG, including the name and title of the person authorized to sign grant documents

Section 1. Summary Information:

- Legal name of applicant
- Requested Grant Amount
- UEI #
- SAM Registration Cage Code and Expiration Date

REAP ZONE APPLICANTS ONLY (ND, NY & VT) - Assigned Benchmark Number:

Section 2. Applicant Eligibility:

- Non-profit corporation
- Public Body/Municipality
- Federally recognized Indian Tribe

Section 3. Project Eligibility:

- Business **Enterprise** Project **OR** Business **Opportunity** Project
- Certification of Relationship to RD Employee
- Certification of Serving Rural Areas
- Certification of Assisting Small and Emerging Businesses (Enterprise Grant only)
- Development or Financing of Small and Emerging Private Businesses (Enterprise Grant only)
- Revolving Loan Fund Requests
- Economic Development Result (Opportunity Grant only)
- Consistency with Local and Area Strategic Plans (Opportunity Grant only)

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Section 4. Written Narrative:

- Project Need and Benefits
- Eligible Grant Purpose
- Area to be Served
- Business Assisted – Economic Development
- Rationale: Project Area & Businesses Assisted
- Project Execution
- Applicant Expertise – Key Personnel
- Coordination with Area Economic Development Activities (Opportunity Grant only)
- Job Impact – 3 Years
- Jobs Created/Saved
- Suggested Performance Criteria

Section 5. Scope of Work:

- Project Type/Description: Revolving Loan Fund, Technical Assistance, Industrial Site, Feasibility Study, etc.
- Proposed Activities to be Accomplished
- Timeframe for Individual Activity Completion
- Timeframe (months) to Project Completion
- Estimated time it will take from grant approval to beginning of project implementation
- Project Scope of Work and Budget Summary
- Task(s) Budget

Appendices:

- Appendix A – Organizational Documents §4280.427(b)
- Appendix B – Latest 3 Years Financial Information §4280.427(e)
- Appendix C – Supplemental Funds Verification §4280.427(g)
- Appendix D – Letters of Commitment from Businesses to be assisted (include jobs saved/created)
Letters of Support §4280.435(h)
- Appendix E – Additional Supporting Documentation

For more information please visit the Rural Business Development Grant program website here:

<https://www.rd.usda.gov/programs-services/business-programs/rural-business-development-grants>

Additionally the Rural Business Development Grant Instructions can be found here:

<https://www.rd.usda.gov/media/file/download/rd-inst-4280e-rbdg-update-final.pdf>

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Application Template

Section 1: Summary Information

Legal Name of Applicant:
(Verify from Articles/Bylaws)

Requested Grant Amount: \$

Section 2: Applicant Eligibility

Applicant Type—Check One:

Nonprofit Entity Public Body/Government Entity Federally recognized Indian Tribe

UEI #:

SAM/CCR Registration Cage Code:

Expiration Date:

REAP ZONE APPLICANTS ONLY [ND, NY and VT]: Assigned Benchmark Number:

Section 3: Project Eligibility

Project Type – Check One:

Enterprise Grant Opportunity Grant

All Grant Applicants

3.1. Relationships to RD employees - §4280.406(b)

This is to certify that I, as the Applicant, have a known or no known relationship or association with a Rural Development employee.

If there is a known relationship, please indicate the name of the Rural Development employee:

3.2. Rural Location - §4280.403, §4280.416(a)(4)

Applicant (grantee) organizations may be located in “rural” or “non-rural” communities. *Benefitting business(es)* must be located in a rural community with a population of 50,000 or less population and not located in a city or town located within the urbanized area contiguous and adjacent to a city or town with a population over 50,000. You may verify rural eligibility of *benefitting business(es)* using the [Rural Eligibility Website](#). Note your agreement here that all business(es) to be served will be located in eligible rural area(s):

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Enterprise Grant Applicants Only

3.3. Small and Emerging Private Business Enterprise Requirement - §4280.403

All businesses assisted with RBDG enterprise grant funds must meet the following definition: “Any private business which will employ 50 or fewer new employees and has less than \$1 million in projected gross revenues.” Note your agreement here that all business(es) assisted will meet the RBDG program definition of small and emerging private business enterprise:

3.4. Development or Financing of Small & Emerging Private Businesses - §4280.417(b)(2)

Describe how grant funds will be used to finance and/or develop Small and Emerging Businesses in Rural Areas. Supporting documentation may be included in Appendix E:

3.5. Revolving Loan Fund (RLF) Requests Only - §4280.453

RBDG Revolving Loan Funds are processed in accordance with Subpart 4274-D, Intermediary Relending Program and serviced in accordance with Subpart 1951-R. RBDG revolving loan funds are limited to financing no more than 75% of total project costs. Applicants must identify in the Project Budget the minimum 25% non-federal leverage funds. *Please utilize the separate RBDG Revolving Loan Fund guide for additional application requirements.*

Opportunity Grant Applicants Only

3.6 Economic Development Result - §4280.417(b)(1)

Opportunity Type Grants may be made only when there is reasonable prospect that the project will result in economic development of a rural area. A “reasonable prospect for economic development” refers to a situation where there is a substantial likelihood, based on available information and analysis, that a particular project, initiative, or region has the potential to experience significant economic growth and positive development, considering factors like market demand, resource availability, technological feasibility, and financial viability; essentially, a well-founded expectation that economic benefits will materialize from a proposed development plan.

Describe the economic development that will occur as a result of the proposed project. Include demonstration of project sustainability. Supporting Documentation can be inserted in Appendix E:

3.7. Consistency with Local and Area Strategic Plans - §4280.417(d)

Grants may be made only when the proposed project is consistent with local and area-wide strategic plans for community and economic development, coordinated with other economic development activities in the project area and consistent with USDA Rural Development State Strategic Plan.

Describe how the project coincides with local or regional strategic plans. Supporting Documentation can be inserted in Appendix E:

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Section 4: Written Narrative

4.1. Project Need and Benefits - §4280.427(d)(1)

Explain the project need and benefits. Supporting documentation can be inserted in Appendix E: [REDACTED]

4.2. Eligible Grant Purpose - §4280.427(d)(1)

Explain how the proposed project meets the eligible grant purposes as listed in regulation 4280.417: Opportunity Projects §4280.417(a)(1) or Enterprise Projects §4280.417(a)(2). Supporting documentation can be inserted in Appendix E: [REDACTED]

4.3. Area to be Served - §4280.427(d)(2)

Describe the area to be served, identifying each governmental unit (i.e. town, county, etc.) to be affected by the project: [REDACTED]

4.4. Businesses Assisted – Economic Development - §4280.427(d)(4)

Describe the business(es) to be assisted, if appropriate; and Economic Development to be accomplished: [REDACTED]

4.5. Rationale: Project Area & Businesses Assisted - §4280.427(d)(7)

Describe the method and rationale used to select the area(s) and business(es) that will benefit from assistance: [REDACTED]

4.6. Project Execution - §4280.427(d)(8)

Describe how the work will be performed including whether organization staff, consultants or contractors will be used: [REDACTED]

4.7. Applicant Experience – Key Personnel - §4280.427(d)(6)

Describe applicant entity 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. Attach resumes and other supporting documentation of experience in Appendix E: [REDACTED]

4.8. Coordination with Area Economic Development Activities (Opportunity Grant Applicants Only) - §4280.427(d)(3)

Description of how the project will coordinate Economic Development activities with other Economic Development Activities within the project area. Supporting Documentation can be inserted in Appendix E: [REDACTED]

4.9. Job Impact – 3 Years - §4280.427(d)(5)

Explain how the project will result in newly created, increased or supported jobs and the number of projected new and supported jobs within 3 years: [REDACTED]

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4.10. Jobs Created/Saved - §4280.427(d)(5)

Describe how the proposed project will create jobs or save existing jobs in the service area and provide an estimated number of jobs created and jobs saved within the project execution time frame. This is evidenced by letters from rural businesses that will be directly assisted in Appendix E:

Number of jobs expected to be created: or saved:

Total Businesses to be assisted:	0
Type of Sub-Business assisted: ¹	<input type="text"/>
Farmer/Rancher	0
Small Business	0
Individuals	0
Groups	0
Cooperatives	0
Type of Plan to be accomplished for the business (i.e. feasibility, business plans):	<input type="text"/>

¹ **“Total Businesses Assisted” must equal the sum of “Sub-Businesses Assisted”**

Jobs created are the jobs created by the “businesses assisted” and are directly related to, a result of, and attributed to the project funded by the RBDG project. Jobs created are generally located at the project site; however, jobs created may be located off site if they are employed by the business assisted and are directly related to the project. Examples may include increases in off-site sales staff due to a production expansion project.

Enter the estimated number of jobs that will be created if the project is implemented. Part-time and seasonal jobs will be converted to full-time equivalents (FTE): *count 2 part-time jobs as 1 full-time job; count 3 seasonal jobs as 1 full-time job.* If part-time and/or seasonal jobs add up to a fraction, round up to the next whole number.

4.11. Suggested Performance Criteria - §4280.427(d)(9)

Suggest one or more relevant criterion to be used to evaluate the performance of the grant project during its operational phase post-award, as benchmarks to assess whether or not the primary goals and objectives proposed in the scope of work are accomplished during the project period. These criteria should relate to the overall project goal of financing and/or assisting small and emerging businesses or conducting business opportunity projects, with a resulting creation or saving of jobs.

Insert Performance Evaluation Criteria:

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Section 5: Scope of Work and Budget Summary

Please include your proposed Scope of Work (SOW) which will include a description of the proposed project, e.g., Revolving Loan Fund, Technical Assistance, Industrial Site, Business Opportunity and Other Business Development, details of the proposed activities to be accomplished, budget for the proposed activities to be accomplished, timeframes for completion of each task, the number of months duration of the project, and the estimated time it will take from grant approval to beginning of project implementation.

The Scope of Work will be used to measure the performance of the grantee. It is important to provide specific information as to *how* the grant funds will be utilized and *who* is responsible for each task of the project. Please provide enough detail to the scope of work to thoroughly explain your project. *RBDG grants must be utilized within twelve months.* For example, it is recommended to start the SOW as of October 1, 2025, and run it as late as September 30, 2026.

Revolving Loan Fund applicants may request an example of an RLF specific Scope of Work as well as lending policies. RLF's must also plan to fully expend grant funds within twelve months.

If indirect (administration) costs are included within the budget, the grant applicant may use an approved federally negotiated indirect cost rate. A copy of the current rate agreement must be provided with the application. Otherwise, indirect costs are limited to 15% of the modified total direct costs as defined by the CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

Enter your Scope of Work description here:

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Please utilize the below tables within your Scope of Work for Budget Summary.

The budget within the scope of work should match Column G, "Total", in Form 424A, Budget Information Non-Construction Programs; Row 16, "Total Project Costs", in Form SF-424C, Budget Information Construction Programs; and Section 18 in SF-424, Application for Federal Assistance.

a. Project Scope of Work and Budget Summary

Summarize the total project budget by task. Insert additional rows as needed.

Task #	Task Name and Description	Person or Entity Responsible	Start Date	End Date	RBDG Funds	Supplemental Funds	Total Project Costs
	What will be accomplished and how?	Who is responsible?	10/1/2025				
1	Task 1						
2	Task 2						
3	Task 3			9/30/2026			
	TOTAL PROJECT				\$ Must match the SF-424A, 5(c)/SF-424C, 17(c)	\$ Any supplemental funds listed must be verified in Appendix C	\$ Must match the SF-424A, 5(g)/SF-424C, 16(c)

Insert full description of each task:

b. Task Budget Format

Provide a budget breakdown for each task, if applicable. Add additional task tables as needed.

Task #1 Budget Categories	RBDG Funds	Supplemental Funds	Total Project Costs
Example- Personnel-Salaries			
Example- Fringe Benefits			
Example- Travel			
Example- Supplies			
Example- Contractual			
Total	\$	\$	\$

Insert task budget explanation:

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The final page of the Scope of Work should include the below language and a signature by the Grantee.

This Scope of Work is submitted by the grantee. Upon approval by the grantor, the grantee agrees that no changes will be made to the Scope of Work without prior written approval by the grantor.

(Applicant Name/Grantee)

By: _____
(Signature) (Title) (Date)

This Scope of Work is hereby approved by USDA - Rural Development.

USDA - RURAL DEVELOPMENT

By: _____
(Signature) (Title) (Date)

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Appendix A: Organizational Documents

Please attach evidence of Legal Authority and Good-standing (Examples: By-Laws, Articles of Incorporation or Organization, Letter or Certificate of Good Standing from your Secretary of State or equivalent agency).

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Appendix B: Latest 3 Years Financial Information

Please attach latest three (3) years financial statements including, balance sheets, income statements and current audited report if available.

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Appendix C: Supplemental Funds Verification

Documentation verifying the availability and amount of other eligible supplemental funds to be used in conjunction with the RBDG. The documentation should evidence that the leveraged funds are available and have been committed to the project. The documentation must be included in your application to qualify for consideration under applicable scoring criterion. (Note: Other federal funds and applicant contributed in-kind are not considered match for scoring purposes.)

Examples of acceptable documentation include: a signed letter from the source of funds stating the amount of funds, when the funds will be provided, and what the funds can be used for, an executed grant agreement, or a signed resolution from your governing board authorizing the use of a specified amount of funds for the project (if funds will be contributed by the applicant organization).

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Appendix D: Letters of Commitment from Businesses to be assisted **(include jobs created/supported)** **Letters of Support**

Generic or duplicated letters are not acceptable. Letters must address the specific business producing the letter as it relates to the project activities. Further, provide information relative to the jobs to meet the criteria described in Section 4.10 of this application toolkit.

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Appendix E: Additional Supporting Documents