**Rural Business Development Grant**

**Application Helpful Hints**

**Applications are due, postmarked or hand-delivered to a**

**Colorado USDA-Rural Development Office, on January 29, 2016 by 4pm!**

**Electronic submissions to** **p.j.howe@co.usda.gov** **are helpful, but *must* be accompanied with a signed, completed paper application by the deadline date. DO NOT USE GRANTS.GOV!**

The following are some details on a few of the aspects of the Application Toolkit and templates. Please follow the Application Toolkit and template instructions, but keep these points in mind as you complete the application.

1. **Project Eligibility – Technical Assistance:**

This grant is not intended to fund the operations of the applicant, but is designed to help fund technical assistance to qualifying businesses. Only costs that are directly a result of the technical assistance provided to the ultimate recipient business are eligible for grant funds. Funds cannot be used for scholarships, tuition, or travel reimbursement for businesses. An applicant can request administration or indirect costs as part of the grant, but your application will score lower.

Also, technical assistance for the business cannot take the place of normal operating expenses. For example, grant funds can be used to help a qualifying business develop a website from a professional for their business, but it cannot pay for the website itself.

1. **Project Eligibility – Real Estate, Buildings and Equipment, Rights-of-Ways, etc:**

These are eligible purposes of the grant, but they are for the applicant only and not for the businesses being assisted. There cannot be any pass-through grant funds going to a business. For instance, the applicant can request grant funds for them to purchase a right-of-way that will allow a business to construct their building. However, the applicant must own the right-of-way and cannot transfer it to the business. The grant will be monitored for the life of the asset.

1. **Project Eligibility – Real Estate, Buildings and Equipment, Rights-of-Ways, etc., for businesses:**

As mentioned above, there cannot be any pass-through grants to the businesses. The applicant can apply for an RBDG for the purposes of starting a Revolving Loan Fund and then provide low-interest rate loans to qualifying business for these purposes and start-up or working capital funds.

1. **Project Funding:**

All costs shown on the budget, whether matching or grant funds, need to be for eligible grant purposes. The entire proposed budget must be funded entirely at the time of application, less the RBDG funds. This is not a speculative grant. If your project will cost $100,000 and you are applying for $25,000 of it from this grant, proof that the other $75,000 is available and committed will need to be submitted with the application.

1. **Other Funds Documentation:**
	1. Applicant must provide tangible evidence such as a letter of commitment from any existing and potential source of funds to be used in conjunction with Rural Development grant funds to receive points. Please include written evidence of commitment from each source of other funds. Other funds cannot be contingent on the receipt of the USDA grant. A project dependent on other funds not yet committed will be deemed ineligible.
	2. In-Kind: Neither the Applicant nor the business can contribute In-Kind matching funds for scoring purposes. Third party In-Kind contributions can be included as matching funds only if they provide a letter of commitment that details their valuation, with industry comparisons, of the services to be provided and is included with the application packet. A third party provider that will be receiving grant funds through the project cannot also contribute In-Kind for the same contractual work.
2. **Written commitment from the benefiting business:**

Although this is not necessary to include letters from businesses, it is hard to determine the need for the grant without them. There is also a scoring provision that will strengthen your application for up to 5 letters. The letters should provide written evidence of commitment from each business to be assisted indicating that business development will occur by startup or expansion. This will include the number of existing jobs and the number of jobs to be created and/or saved as a result of this technical assistance grant. For a revolving loan fund grant, letters of interest from at least 5 eligible businesses will be sufficient to show demand for the program in the area. If the grant is to establish an RLF through a loan to only one business, then a letter from that business is sufficient, but letters from other eligible business that may benefit from the development of the first business will be accepted. General support letters are not necessary.

The letters should provide certification & financial statements(historic if available and next full year’s projections) that the benefiting business(es) meets the definition of "small and emerging business" which is any eligible private business that will employ 50 or fewer new employees; has less than $1 million in annual projected gross revenues, and is at least 51% owned by U.S. Citizens or resident aliens. This should be included in the letters above.

1. **Applicant Eligibility:**
	1. **Capacity** – The applicant through their financial statements must show the capacity, financial and organizational, to operate the grant. The grant is paid on a reimbursement basis only. The applicant must have a positive tangible net worth.
	2. **Mission** – The applicant’s operations and mission need to relate to the work plan of the grant. A non-profit whose mission is to provide care to abandoned animals should not apply for a grant to assist a business with their expansion feasibility study for instance. An Economic Development agency would be a better fit. There can’t be any conflict of interest between the applicant and the businesses being assisted.
2. **Enterprise Project vs. Opportunity Project:**

The Application Toolkit has a place where you need to decide whether your project is either an Enterprise or Opportunity project. You must select one. Please read the 4280e RBDG Instructions to see which one your project fits best. There are considerable more funds available for an Enterprise project rather than the Opportunity project.