

# Rural Business Development Grant

Application Guide

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## 2017 RURAL BUSINESS DEVELOPMENT GRANT APPLICATION

Submitted by:

Applicant Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip Code: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
Email: \_\_\_\_\_

Submitted to:

Mr. Dennis Rodin  
Business and Cooperative Program Director  
USDA Rural Development  
PO Box 1737  
Bismarck, North Dakota 58502-1737

The deadline for receipt of the application is 4:30 PM local time March 31, 2017. The application date and time are firm. The application must be postmarked and mailed, shipped or sent overnight by this date. You may also hand carry your application to one of our field offices, but it must be received by 4:30 PM on the deadline date. Late applications are not eligible for funding. Acceptance by the United States Postal Service or private mailer does not constitute delivery. Facsimile (FAX), electronic mail and postage due applications will not be accepted.

The RBDG program operates under RD Instruction 4280-E located at: <http://www.rd.usda.gov/files/4280e.pdf>  
This application template is a guide created to assist the applicant in submitting a complete RBDG application. The application guide does not replace the instruction. **Use of the application guide is not required (Optional).** However, applicants must provide all required information as stated in the Instruction. The Agency may request additional information to assist in the application review process. Applicants are encouraged to read the Instruction and discuss the program requirements with USDA Rural Development staff.

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### CHECKLIST

***Before you submit your application, please be sure you have addressed all of the following elements.***

#### Required forms

- Form SF-424, "Application for Federal Assistance"
- Form SF-424A, "Budget Information-Non-Construction Programs"
- Form SF-424B, "Assurances - Non-Construction Programs"
- Form SF-424C, "Budget Information -Construction Programs" *(for construction projects only)*
- Form SF-424D, "Assurances - Construction Programs" *(for construction projects only)*
- Form RD 400-1, "Equal Opportunity Agreement"
- Form RD 400-4, "Assurance Agreement"
- Form AD 1047, "Certification Regarding Debarment"
- Form AD 1049, "Certification Regarding Drug Free Workplace"
- RD Inst. 1940-Q, Exhibit A-1, "Certification for Contracts, Grants, & Loans"
- Form RD 1940-20, "Request for Environmental Information"
- "Attachment-Addressing questions 1, 2, 13, 15, 16 and 17 of Form RD 1940-20"
- Form AD-3030, "Representations Regarding Felony Conviction and Tax Delinquency Status for Corporate Applicants" (Corporations only)
- Intergovernmental Clearance Letter (Executive Order 12372) from the ND Department of Commerce (Not required for Indian Tribes)
- Survey on Ensuring Equal Opportunity for Applicants
- Compliance with RD 1900-D Instruction
- Resolution passed by the board authorizing entity to apply and administer the RBDG including the name and title of the person authorized to sign grant agreements
- Applicant Certifications
- Form 1980-88 "Strategic Economic and Community Development (Section 6025) Priority" (If Applicable)

#### Section 1. Summary Information

- Legal name of applicant
- Requested Grant Amount
- DUNS Number
- SAM Registration Cage Code and Expiration Date
- NAICS Code Number
- REAP Zone Benchmark Number *(REAP Zone Set Aside Applications only)*

#### Section 2. Applicant Eligibility

- Applicant Type

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### Section 3. Project Eligibility

- Business Opportunity Grant Project
  - Economic Development Result
  - Local and Area-Wide Strategic Plans
- OR
- Business Enterprise Grant Project
  - Development or Financing of Small & Emerging Business

### Section 4. Written Narrative

- Project Need and Benefits
- Eligible Grant Purpose
- Area to be Served
- Coordination with Area Economic Development Activities
- Businesses to be Assisted and Economic Development to be Accomplished
- Jobs Created/Saved
- Applicant Expertise
- Method and Rationale to Select Service Area and Business Recipients
- Work Performance
- Suggested Performance Criteria

### Appendices

- Appendix A – Organizational Documents and Attorney Opinion
- Appendix B – Financial Documentation
- Appendix C – Proposed Scope of Work
- Appendix D – Leveraged Funds Verification
- Appendix E – Documentation of Experience
- Appendix F – Letters from Businesses to be Assisted
- Appendix G – Intergovernmental Clearance
- Appendix H – Frequently Asked Questions

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### ***APPLICATION TEMPLATE***

#### **SECTION 1: SUMMARY INFORMATION**

Legal Name of Applicant: \_\_\_\_\_

Signing Official and Title (Mayor, President, Chair): \_\_\_\_\_

Requested Grant Amount: \$ \_\_\_\_\_

DUNS # \_\_\_\_\_

SAM/CCR Registration Cage Code: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Applicant NAICS Code: \_\_\_\_\_

REAP Zone Benchmark #: \_\_\_\_\_ (REAP Zone Set-Aside Funding Requests Only)

#### **SECTION 2: APPLICANT ELIGIBILITY**

Applicant Type– Please Check One and Provide Information as Described in Appendix A “Organizational Documents”:

- Public Body/Government Entity
- Indian Tribe
- Nonprofit entity

#### **SECTION 3: PROJECT ELIGIBILITY**

Type of Project – Please Check One:

- Business Enterprise Grant Project
- Business Opportunity Grant Project

**Business Enterprise Grant Projects Only:**

- **Development or Financing of Small & Emerging Private Businesses**

*A Small and Emerging Business is defined as “Any private and/or Nonprofit business which will employ 50 or fewer new employees and has less than \$1 million in gross revenue; for retail operations, total sales minus cost of goods sold minus returns; or for a service organization, gross revenue minus cost of providing service; or for a manufacturing operation it will be total sales minus cost of raw materials minus the cost of production.*

*For an Indian Tribal business to be considered small and emerging, its management and Board of Directors must operate independently of the Tribal Council. In order to be considered independent, the majority of the Board of Directors must come from areas other than the Tribal Council members or their families and they cannot be removed without cause.*

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*The small and emerging business must be a clearly separate entity from the applicant. The applicant will work with the small and emerging business. Example: Applicant purchases equipment and leases it to the business; Applicant rehabs a building and leases it to the business; Applicant provides technical assistance (training) to the business; Applicant creates a revolving loan fund and makes loans to the business.*

*[Insert description how grant funds will specifically result in the development of Small and Emerging Businesses in Rural Areas]*

### **Business Opportunity Grant Projects Only:**

- **Economic Development Result**

*[Insert description how economic development will occur as a result of the proposed project. Include demonstration of project sustainability once the grant is complete.]*

- **Local and Area-Wide Strategic Plans**

*[The proposed project must be consistent with any local and area-wide strategic plans for community and economic development, coordinated with other economic development activities in the project area, and consistent with any Rural Development State Strategic plan. **Include a copy of the page(s) of the plan addressing this project.**]*

## **SECTION 4: WRITTEN NARRATIVE**

### **4.1 Project Need and Benefits**

*[Explain why the project is needed and the benefits of the proposed project]*

### **4.2 Eligible Grant Purpose**

*[Explain how the proposed project meets the grant eligible purposes as listed in the Regulation <http://www.rd.usda.gov/files/4280e.pdf> Section 4280.417 Project Eligibility]*

### **4.3 Area to be Served**

*[Describe the area to be served, identifying each governmental unit (i.e. city, township, county, etc.) to be affected by the project. Example: If the project will mostly only benefit the residents of a specific city, state the city name; if the project service area will include several counties, list the counties.]*

### **4.4 Coordination with Area Economic Development Activities**

*[Description of how the project will coordinate Economic Development activities with other Economic Development Activities within the project area. Is this part of a larger plan? Are there existing partnerships etc.?)*

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### 4.5 Businesses to be Assisted and Economic Development to be Accomplished

*[Describe Businesses to be assisted (if appropriate) and Economic Development to be accomplished. Letters from the businesses may be placed in Appendix F]*

### 4.6 Jobs Created/Saved

*[Describe how the proposed project will create, increase or support jobs in the service area and provide an estimated number of jobs created and jobs saved within the next 3 years. This is evidenced by letters from rural businesses that will be directly assisted in Appendix F.]*

### 4.7 Applicant Expertise

*[Insert description of Applicant's demonstrated capability and expertise 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. If consulting with others on tasks, include their applicable experience. Attach resumes and other supporting documentation of experience in Appendix E]*

### 4.8 Method and Rationale to Select Service Area & Business Recipients

*[Describe how the service area was selected and the businesses that will receive assistance. If the businesses haven't been selected, describe how they will be selected. This could be based on the pre-defined service area of the applicant such as businesses located within the JDA service area]*

### 4.9 Work Performance

*[Describe how the work will be performed including whether organizational staff, consultants or contractors will be used.]*

### 5.0 Suggested Performance Criteria

- *[Insert a description of the basis for determining the success or failure of the project and individual major elements of the project. Outline procedures that will be taken to assess the project's impact at its conclusion. Example: Suggest one or more relevant criterion to be used to evaluate the performance of the grant project during its operational phase and post-award, as quantitative 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. Keeping in mind that the project performance criteria will be monitored after the grant is completed. ]*

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*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. 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 [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) 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  
Washington, D.C. 20250-9410
- (2) *Fax:* (202) 690-7442; or
- (3) *Email:* [program.intake@usda.gov](mailto:program.intake@usda.gov)

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**APPENDICES**



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### APPENDIX A: Organizational Documents

Please attach copies of your organizational documents showing your legal existence and legal authority to perform the activities under the grant. This would include evidence of Legal Authority and Good-standing as well as a letter from your attorney.

- Articles of Incorporation or Organization (including any amendments)
- By-Laws (Including any amendments)
- Copy of IRS Non-Profit Determination
- Certificate of Good Standing from the Secretary of State
  
- Native American Indian Tribes may provide their listing within the list of Federally Recognized Native American Indian Tribes as published annually in the Federal Register.
  
- Counties and Cities may provide evidence of existence by a page from the most current North Dakota Blue Book or other proof of existence.
  
- **ALL APPLICANTS must include an opinion from your attorney opining that the applicant is eligible and in good standing with authority to carry out the purposes of the proposed grant.**

The attorney's opinion letter should state the following:

1. The applicant is duly organized, is in good standing, has the power to execute, deliver and perform its obligations under the grant documents and that there is no pending or threatened litigation that would adversely affect the applicant's ability to perform its obligations to Rural Development.
2. All actions by the applicant meet statutory requirements, no litigation threatens the applicant and the project meets zoning laws.

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### **APPENDIX B Applicant's Financial Documentation**

Attach your latest 3 years of financial information to evidence your financial capacity to carry out the proposed work. If your entity is less than 3 years old, the information should include all balance sheet(s), income statement(s) and cash flow statement(s) available. Audited financial statements are preferred, if available. Please attach complete copies. Emailed versions are not acceptable.

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### APPENDIX C Proposed Scope of Work

Please attach 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. We recommend starting your project as of October 1, 2017 and running it as late as September 30, 2018.*

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

*If indirect (administration) is 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 10% of the modified total direct costs as defined by the CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."*

*The budget within the SOW should match the total line item budget submitted as SF424A (Non-construction budget) or SF424C (Construction budget) and the "Estimated Funding" (Item #18 of the SF424)*

**Please utilize the below table as an example.**

#### 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
	<u>What will be accomplished and how?</u>	Who is responsible?	10/1/2017				
				9/30/2018			
	<b>TOTAL PROJECT</b>				\$	\$ Any supplemental funds listed must be verified in Appendix D	\$ Must match the SF424 Budget

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[Insert full description of each task.]

**a. Task Budget Format**

Provide a budget table for **each task** that will be completed for **each main activity** listed above only if appropriate to further break down the item.

*Add additional task tables as needed.*

Task #1 Budget Categories	RBDG Funds	Supplemental Funds	Total Project Costs
Personnel			
Fringe Benefits			
Travel			
Supplies			
Contractual			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

Provide explanation/clarification of the basis for the above budget figures:

*[Insert task budget explanation]*

*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 D Leveraged Funds Verification**

Documentation verifying the availability and amount of other 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 the applicable scoring criterion. (Note: Other Federal Funds and applicant contributed in-kind are not considered match for scoring purposes.)

*Examples of acceptable documentation include: copy of a current bank statement or a copy of the confirmed funding commitment from the funding source.*

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### **APPENDIX E Documentation of Experience**

Please attach documentation of experience with proposed project activities (resumes, statement of qualifications, etc.) Experience should include specific descriptions to match experience with the application proposal. Example: If the project is for a Revolving Loan Fund, please describe the applicant's experience with revolving loan funds. If the project involves providing technical assistance, please describe the applicant's history in providing TA. If the project involves the purchase and subsequent lease of equipment or a building to a business, please provide the applicant's experience in leasing equipment or a building.

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### **APPENDIX F Letters from Businesses to be Assisted**

Please attach letters of support for proposed project activities from the businesses to be assisted. This is the written evidence of commitment from small businesses that small business development will be supported by startup or expansion as a direct result of the RBS program assistance. Letters may also address jobs created/saved if the applicant wishes to receive consideration in the scoring of the application for the jobs. Part-time jobs should indicate the number of hours per week. Full-time equivalent positions are based on a 35 hour workweek. Generic or duplicated letters are not acceptable; letters must be on the business' letterhead and address the specific business preparing the letter, the connection to the project activities and further provide information relative to jobs to meet the criteria.

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### APPENDIX G– Intergovernmental Clearance

## State Application Identifier Process/ Executive Order 12372 Intergovernmental Review Process

### What is the process for E.O. 12372?

This somewhat depends on the Federal Grantor agency, but in general if an application is subject to review under E.O. 12372 the first step is to contact Rikki Roehrich, the Single Point of Contact for North Dakota, for a State Application Identifier (SAI). Once information is received by her office a “Letter of Clearance” or a “Letter of Comment” is sent back to the applicant for their files. A copy of the letter should be sent to:

Dennis Rodin  
USDA Rural Development  
PO Box 1737  
Bismarck, ND 58502-1737

### What information should be submitted for the review?

At a minimum a copy of the SF 424 (application form), SF 424A (budget information) and executive summary, abstract or narrative taken from the application. The copies of the forms/ information can be sent either by mail or electronic mail.

### When should the forms be submitted?

The SAI process should be started for purposes of completing the application (SF 424) but the completed materials can be submitted at the time the application is sent to the Federal Agency. Under E.O. 12372 the Single Point of Contact has up to 60 days in which to comment on an application should it be necessary. In North Dakota the response can normally be completed in several days.

### Are all applicants required to submit information for the Intergovernmental Review?

Applications from Federally Recognized Native American Tribes are not subject to the Intergovernmental Review process, but participation is encouraged.

### Contact Information:

Rikki Roehrich  
ND Department of Commerce  
1600 East Century Ave. Suite 2  
PO Box 2057  
Bismarck, ND 58502-2057  
701-328-5308  
701-328-5320 (Fax)  
[rroehrich@nd.gov](mailto:rroehrich@nd.gov)



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### Appendix H– Frequently Asked Questions

Q: What is the CFDA (Code of Federal Domestic Assistance) Number?

A: The CFDA for the Rural Business Development Grant program is 10.351.

Q: What is the Funding Opportunity Number?

A: The RBDG does not have a funding opportunity number. You may leave this field blank on the SF424.

Q: Do you accept emailed applications?

A: Emailed applications will not be accepted for consideration.

Q: Is the deadline in your office or postmarked?

A: The application deadline is the date and time that the application must be received by Rural Development if hand delivered. If mailing the postmark must be March 31, 2017 or before.

Q: How do I address the application package?

A: Please address to:

Dennis Rodin  
USDA Rural Development  
PO Box 1737  
Bismarck, ND 58502-1737

Q: I've heard that we need to lease out the property purchased with these funds. I thought this was a grant program.

A: The RBDG is a grant to the applicant. The applicant must purchase the property or otherwise complete the Scope of Work (purchase a building etc.) and then leases the property to a small and emerging business at a fair market rate (IRS depreciation rate at a minimum). If the applicant were to lease the property for a minimum amount (such as a \$1/year) it is considered a "pass through grant" which is an ineligible use of funds. The applicant can then continue to use those funds for other eligible RBDG type projects or if sitting idle, returned to the Federal government at the Federal Government's participation percentage of the project.

Q: Is the Intergovernmental Review/Intergovernmental Clearance/Executive Order 12372 required?

A: Yes, this is required in North Dakota for all applicants with the exception of Federally Recognized Native American Tribes. Information on how to complete this task is found in Appendix G. Please complete Item #19 on the SF 424 with the date submitted to the Division of Community Services.

Q: Should the Attachment addressing questions 1, 2, 13, 15, 16, and 17 of Form RD 1940-20 be completed even if the project is simply an equipment purchase?

A: Only technical assistance or planning projects are excluded from the environmental review process. All other projects must complete the 1940-20 which would require Exhibit I (the attachment). The

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responses to the questions in Exhibit I may be brief or NA in the case of an equipment purchase, but please do take the time to respond.

Q: Who should sign the SF424 as the “Authorized Official”?

A: Please have the Chairperson/President/Mayor sign the SF 424 with the appropriate title. This person should have the authority to commit the organization to the requirements of the grant. Looking ahead, this is the person that will receive the correspondence from USDA including the documents accepting the grant if awarded.

Q: Can someone else be the “Contact” for the grant?

A: Yes, please place this information in Section “F” of the SF424 “Name and Contact Information of Person to be Contacted on Matters Involving this Application.”

Q: What are the administration requirements of the RBDG?

A: The administration of the RBDG does require some time for quarterly reports and proper documentation of expenditures. There are other on-going reports which may be annual or tri-annual once the project is completed dependent upon the nature of the project (technical assistance, equipment purchase, building construction or RLF). RBDG grant administration is a separate training provided to all grant recipients once the grant is awarded. USDA staff works closely with the awardees so that they become comfortable with the reporting and process. If you would like to receive the administration training material prior to application, please make a request to [Denise.Sundeen@nd.usda.gov](mailto:Denise.Sundeen@nd.usda.gov) .

Q: Can we include administration costs in the budget?

A: Yes – applicants may utilize a previously negotiated (and approved) Federal indirect cost rate. Otherwise, indirect costs are limited to 10% of the modified total direct costs as defined by the CFR 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” The CFR 200 may be located at: <http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=e399902ddf78b795f75a66f7b5cf08fd&mc=true&n=pt2.1.200&r=PART&ty=HTML> *Please remember that the scoring process awards 5 points if the applicant DOES NOT include administration in the budget.*

Q: What areas will you review for accessibility compliance?

A: All projects funded with Federal funds are required to be ADA accessible or a transition plan created to become accessible. This includes the applicant’s place of business as well as the assisted project.

Please check our website for additional questions and answers.