

PROGRAM: RD Rural Business Enterprise Grant Program (RBEG)

AGENCY: USDA Rural Development (RD), Rural Business-Cooperative Service (RBS)

DESCRIPTION: The purpose of this program is to support the development of public bodies, private non-profit corporations, and federally recognized Indian Tribal groups in rural areas under 50,000 in population. Priority is given to applications for projects in rural communities of 25,000 in population and under.

ELIGIBILITY:

- Eligibility is limited to public bodies, private nonprofit corporations, and Federally-recognized Indian Tribal groups.
- Technical assistance (market studies, business plans, training, etc.); purchase machinery and equipment to lease to a small and emerging business; create a revolving loan fund (provide partial funding as a loan to a small and emerging business for the purchase of equipment, working capital or real estate); or construct a building for a business incubator for small and emerging businesses.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Grant
- Funds are used for the financing of small and emerging businesses. The business must have less than 50 new employees and less than \$1 million in gross revenues.
- Grant funds do not go directly to the business.

QUALIFICATION CRITERIA/COMMENTS:

- Public bodies include incorporated towns and villages, counties, states, authorities and districts.
- All community projects funded by RD are subject to an environmental assessment in accordance with the National Environmental Policy Act.
- Grants cannot be used for agricultural Production, comprehensive area wide planning, loans by grantees when the rates, terms, and charges for those loans are not reasonable or would be for purposes not eligible under RBEG regulations, development of a proposal that may result in the transfer of jobs or business activity from one area to another. This provision does not prohibit establishment of a new branch or subsidiary, development of a proposal which may result in an increase of goods, materials, commodities, services, or facilities in an area when there is not sufficient demand, programs operated by cable television systems, or to fund part of a project which is dependent on other funding, unless there is a firm commitment of the other funding to ensure completion of the project.
- For details, visit <http://www.rurdev.usda.gov/rbs/busp/rbeg.htm> .
- Or the Rural Development Homepage at <http://www.rurdev.usda.gov/rbs/index.html> ,