



RURAL BUSINESS DEVELOPMENT GRANTS

PROGRAM PURPOSE USDA Rural Development makes grants to public bodies and private nonprofit corporations to finance and facilitate development of private business enterprises and rural economic development. Eligible entities receive the grant to assist businesses or undertake economic development projects. The grant does not go directly to a business.

WHO'S ELIGIBLE Those eligible include public bodies and private nonprofit corporations serving rural areas. A rural area under this program would be an area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized areas. Grant funds may not be passed through directly to a small business other than through a loan in a revolving loan fund project.

USE OF FUNDS Grant funds may be used to fund various business enterprise or business opportunity grant purposes:

Business Enterprise Grants: Projects must result in the development of small and emerging private business enterprises defined as those that will employ 50 or fewer new employees and have less than \$1 million in gross revenue (may deduct costs of goods sold or cost of services provided to arrive at gross revenue). Use of funds may include:

- Providing technical assistance to small businesses;
- Capitalization of a revolving loan fund for small business lending;
- Acquisition and development of land, easements and rights-of-way;
- Construction, enlargement, repair or modernization of buildings, plants, machinery, equipment, access streets and roads, sidewalks, parking areas or utilities;
- Reasonable fees and charges for professional services necessary for the planning and development of the project; and
- Rural distance learning or educational instruction/job training for adult students.

Business Opportunity Grants: Projects must result in the economic development of a rural area. Use of funds may include:

- Conducting business opportunity identification and analysis, business plans or feasibility studies;
- Providing technical assistance or leadership development training to prospective or existing rural entrepreneurs;
- Conducting local/regional economic development planning; and
- Paying reasonable fees and charges for professional services necessary to conduct technical assistance, training or planning.

Rural Development • Illinois State Office

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If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

INELIGIBLE USES OF FUNDS

RBDG funds may not be used for any of the following purposes:

- Duplicate current services or substitute financial support currently provided;
- Pay costs of preparing an application package for this or any other program;
- Pay for costs incurred prior to the submission of a full application (unless RD written concurrence is obtained prior to application submission);
- Fund political activities or pay debts/judgments owed to the U.S. government;
- Pay for assistance to businesses that do not create and/or support jobs in the U.S.;
- Fund agricultural production operations either directly or through loans (does not preclude the provision of technical assistance for agricultural operations);
- To capitalize revolving loan funds when the rates, terms, and charges for those loans are not reasonable or for eligible purposes as identified under RD Instruction 4274-D (Intermediary Relending Program);
- To fund part of a project that is dependent on other funding unless there is a firm commitment of the other funding to ensure completion of the project;
- Pass through grants, which would include the rental/leasing of grant-funded real property to businesses at less than fair market prices or making unsecured or under-secured loans to businesses;
- Projects that would result in the transfer of existing employment or business activity more than 25 miles from its existing location.

FUNDING AVAILABILITY

Between \$400,000 and \$600,000 is usually available each year for RBDG in Illinois, so grant applications are very competitive. Smaller grant requests have better chances of being funded, and requests for \$99,000 or less receive a higher priority point score. No more than 10% of total funds available per year may be used for Business Opportunity Grants, and the Agency reserves the right to convert those Business Opportunity funds to Business Enterprise funds at its discretion.

ADDITIONAL

For additional information, please visit the RBDG program website at <http://www.rd.usda.gov/programs-services/rural-business-development-grants> or contact an Area Specialist in your nearest Rural Development Illinois office:

- Champaign – (217) 352-3536, ext. 4
- Effingham – (217) 347-7107, ext. 5
- Galesburg – (309) 342-5138, ext. 5
- Jacksonville – (217) 342-1535, ext. 6
- Marion – (618) 993-5396, ext. 4
- Mt. Vernon – (618) 244-0773, ext. 4
- Princeton – (815) 875-8732, ext. 4