Rural Business Enterprise Grant (RBEG) Program

PURPOSE
• To support the development of small and emerging private business enterprises in rural areas (less than 50,000 population).

APPLICANT ELIGIBILITY
• Public bodies
• Private nonprofit corporations serving rural areas
• Federally recognized Indian/Alaska Tribal Groups

This is not a grant for individuals or businesses. Pass-through grants are not permitted.

USE OF GRANT FUNDS
• Technical assistance for private business enterprises.
• Feasibility studies, technical consultation, and analysis.
• Financial assistance to third parties through a loan (revolving loan fund) for start-up operating cost and working capital.
• Training, when necessary, in connection with technical assistance.
• Equipment to be leased by small and emerging small business.

Grants will be made only when there is a reasonable prospect that they will result in development of small and emerging private business enterprises.

A small and emerging private business enterprise is defined as follows:
• Private business which will employ 50 or fewer new employees; and
• Has less than $1 million in projected gross revenues.

MAXIMUM AND MINIMUM GRANT AMOUNTS
• Maximum and minimum grant amounts are not established.

APPLICATION PROCESS
• Application may be submitted to any USDA – Rural Development Area Office or State Office.
• Applications are selected on a statewide competitive basis. Applications not selected in the statewide competition may compete for funds at the National level.
• Contact any USDA – Rural Development Area Office or State Office for established application deadlines and application assistance.

SELECTION FACTORS
• Population
• Economic Conditions – unemployment and median household income
• Applicant experience
• Evidence of small business development
• Commitment of nonfederal funding sources
• Evidence of need for a revolving loan fund
• Evidence of jobs to be created/saved
• Project is part of a community or economic development plan covering the project area
• Grant size
• State Director discretionary points

FOR MORE INFORMATION
Contact our specialist at the USDA-Rural Development State Office in Palmer, AK.

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