

Eligible Fund Uses

Fund uses must be consistent with the RCDI purpose (see "Background" section of this notice). A nonexclusive list of eligible grant uses includes the following:

1. Provide financial and technical assistance to develop recipients' capacity and ability to undertake projects related to housing, community facilities, or community and economic development, *i.e.*, the intermediary hires a staff person to provide technical assistance to the recipient or the recipient hires a staff person, under the supervision of the intermediary, to carry out the financial and technical assistance provided by the intermediary.
2. Develop the capacity of recipients to conduct community development programs, *e.g.*, homeownership education or training for minority business entrepreneurs.
3. Develop the capacity of recipients to conduct development initiatives, *e.g.*, programs that support micro-enterprise and sustainable development.
4. Increase leveraging ability and access to alternative funding sources by providing training and staffing.
5. Provide the financial and technical assistance component for essential community facilities projects.
6. Assist recipients in completing pre-development requirements for housing, community facilities, or community and economic development projects by providing resources for professional services, *e.g.*, architectural, engineering, or legal.
7. Improve recipient's organizational capacity by providing training and resource material on developing strategic plans, board operations, management, financial systems, and information technology.
8. Purchase computers, software, and printers at the recipient level.
9. Provide funds to recipients for training-related travel costs and training expenses related to RCDI.

Ineligible Fund Uses

1. Funding a revolving loan fund.
2. Construction (in any form).
3. Intermediary preparation of strategic plans for recipients.
4. Funding illegal activities.
5. Grants to individuals.
6. Funding a grant where there may be a conflict of interest, or an appearance of a conflict of interest, involving any action by the Agency.
7. Paying obligations incurred before the beginning date or after the ending date of the grant agreement.
8. Purchasing real estate.
9. Improvement or renovation of the grantee's office space or for the repair or

maintenance of privately owned vehicles.

10. Any other purpose prohibited in 7 CFR parts 3015, 3016, and 3019, as applicable.

11. Funds cannot be used for recipient's general operating costs.

12. Using grant or matching funds for Individual Development Accounts.

Program Examples

The purpose of this initiative is to develop or increase the recipient's capacity through a program of financial and technical assistance to perform in the areas of housing, community facilities, or community and economic development. Strengthening the recipient's capacity in these areas will benefit the communities they serve. The RCDI structure requires the intermediary (grantee) to provide a program of financial and technical assistance to recipients. The recipients will, in turn, provide programs to their communities (beneficiaries). Following are examples of eligible and ineligible purposes under the RCDI program. These examples are illustrative and are not meant to limit the activities proposed in the application. Activities that meet the objective of the RCDI program will be considered eligible.

1. The intermediary must work directly with the recipient, not the beneficiaries. As an example: The intermediary provides training to the recipient on how to conduct homeownership education classes. The recipient then provides ongoing homeownership education to the residents of the community—the ultimate beneficiaries. This "train the trainer" concept fully meets the intent of this initiative. The intermediary is providing financial and technical assistance that will build the recipient's capacity by enabling them to conduct homeownership education classes for the public. This is an eligible purpose. However, if the intermediary directly provided homeownership education classes to individuals in the recipient's service area, this would not be an eligible purpose because the recipient would be bypassed.

2. If the intermediary is working with a low-income community as the recipient, the intermediary must provide the financial and technical assistance to the entity that represents the low-income community and is identified in the application. Examples of entities representing a low-income community are a village board or a town council. If the intermediary provides technical assistance to the board of directors of the low-income community on how to establish a cooperative, this

would be an eligible purpose. However, if the intermediary works directly with individuals from the community to establish the cooperative, this is not an eligible purpose. The recipient's capacity is built by learning skills that will enable them to support sustainable economic development in their communities on an ongoing basis.

3. The intermediary may provide technical assistance to the recipient on how to create and operate a revolving loan fund (RLF). The intermediary may not monitor or operate the RLF. RCDI funds, including matching funds, cannot be used to fund RLFs.

Contents of Application Package

A complete application for RCDI funds must include the following.

1. A summary page, double spaced between items, listing the following: (This information should not be presented in narrative form.)
 - a. Applicant's name,
 - b. Applicant's address,
 - c. Applicant's telephone number,
 - d. Name of applicant's contact person and telephone number,
 - e. Applicant's fax number,
 - f. County where applicant is located,
 - g. Congressional district number where applicant is located,
 - h. Amount of grant request,
 - i. Applicant's Tax Identification Number,
 - j. Number of recipients, and
 - k. Source and amount of matching funds.
2. A detailed Table of Contents containing page numbers for each component of the application.
3. A project overview, no longer than five pages, including the following items, which will also be addressed separately and in detail under "Building Capacity" of the "Evaluation Criteria."
 - a. The type of financial and technical assistance to be provided and how it will be implemented.
 - b. How the capacity and ability of the recipients will be improved.
 - c. The overall goal to be accomplished.
 - d. The benchmarks to be used to measure the success of the program.
4. Organizational or other documents for the intermediary that confirm their existence for a minimum of 3 years as the applicant entity.
5. Verification of matching funds, *i.e.*, a copy of a bank statement if matching funds are in cash or a copy of the confirmed funding commitment from the funding source. The applicant will be contacted by the Agency prior to grant award to verify that the matching funds continue to be available. The applicant will have 10 working days