

**PART 1783—REVOLVING FUNDS  
FOR FINANCING WATER AND  
WASTEWATER PROJECTS (RE-  
VOLVING FUND PROGRAM)**

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**Subpart A—General**

**§ 1783.1 What is the purpose of the Revolving Fund Program?**

This part sets forth the policies and procedures for making grants to qualified private, non-profit entities to capitalize revolving funds for the purpose of providing financing to eligible entities for pre-development costs associated with proposed water and wastewater projects or with existing water and wastewater systems, and short-term costs incurred for replacement equipment, small-scale extension of services, or other small capital

projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

**§ 1783.2 What Uniform Federal Assistance Provisions apply to the Revolving Fund Program?**

(a) This program is subject to the general provisions that apply to all grants made by USDA and that are set forth in 7 CFR Part 3015—Uniform Federal Assistance Regulations.

(b) This program is subject to the uniform administrative requirements that apply to all grants made by USDA to non-profit organizations and that are set forth in 7 CFR Part 3019—Uniform Administrative Requirements for Grants And Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

(c) This program is subject to OMB Circular No. A-122 (Revised): Cost Principles for Non-Profit Organizations.

**§ 1783.3 What definitions are used in this regulation?**

*Administrative expenses* means expenses incurred by a grant recipient that are of the type more particularly described in § 1783.12.

*Applicant* means a private, non-profit organization that applies for an RFP grant under this part.

*CONACT* means the Consolidated Farm and Rural Development Act.

*Eligible entity* means an entity eligible to obtain a loan, loan guarantee or grant under paragraph 1 or paragraph 2 of section 306(a) the CONACT (codified at 7 U.S.C. 1926(a)(1) and (2)).

*Grant agreement* means the contract between RUS and the grant recipient which sets forth the terms and conditions governing a particular grant awarded under this part.

*Grant recipient* means a private, non-profit entity that has been awarded a grant under this part.

*Loan recipient* means an eligible entity that has received an RFP loan.

*Revolved funds* means the cash portion of the revolving loan fund that is not composed of RFP grant funds, including cash comprising repayments of RFP loans, fees relating to RFP loans and interest collected on RFP loans.

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*Revolving loan fund* means the loan fund established by the grant recipient to carry out the purposes of this part, such fund comprising the proceeds of an RFP grant and other related assets.

*RFP* means Revolving Fund Program.

*RFP grant* means a grant from RUS to a grant recipient under this part.

*RFP loan* means a loan from a grant recipient using the direct or indirect proceeds of an RFP grant awarded under this part.

*Rural and rural area* means a city, town or unincorporated area that has a population of no more than 10,000 inhabitants, according to the latest decennial census of the United States.

*RUS* means the Rural Utilities Service, a Federal agency delivering the USDA's Rural Development Utilities Program.

*USDA* means the United States Department of Agriculture.

## § 1783.4 [Reserved]

### Subpart B—Revolving Loan Program Grants

#### 1783.5 What are the eligibility criteria for grant recipients?

(a) The applicant must be a private entity.

(b) The applicant must be organized as a non-profit entity.

(c) The applicant must have the legal capacity and lawful authority to perform the obligations of a grantee under this part.

*Example 1 to paragraph (c):* If the organization is incorporated as a non-profit corporation, it must have corporate authority under state law and its corporate charter to engage in the practice of making loans to legal entities.

*Example 2 to paragraph (c):* If the organization is an unincorporated association, state law may prevent the organization from entering into binding contracts, such as a grant agreement.

(d) The applicant must have sufficient expertise and experience in making and servicing loans to assure the likelihood that the objectives of this part can be achieved.

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#### § 1783.6 When will applications for grants be accepted?

In Fiscal Year 2004, applications will be accepted for this RFP grant program from October 6, 2004, until December 6, 2004, at which time the initial application period shall close. An applicant may withdraw, substitute, amend or supplement its application at any time prior to the closing of the initial application period. Once the initial application period has closed, all applications shall be considered final. For subsequent fiscal years, if any funds for this program are available, the Secretary will publish a notice to that effect. The notice will establish the period during which applications for such funds may be submitted for consideration.

#### § 1783.7 What is the grant application process?

(a) The applicant must complete and submit the following items to RUS to apply for a grant under this part:

(1) Application for Federal Assistance: *Standard Form 424*;

(2) Budget Information—Non-Construction Programs: *Standard Form 424A*;

(3) Assurances—Non-Construction Programs: *Standard Form 424B*;

(4) Evidence of applicant's legal existence and authority in the form of certified copies of organizational documents and a certified list of directors and officers with their respective terms;

(5) Evidence of tax exempt status, and

(6) Most recent annual audit conducted by an independent auditor.

(b) The applicant must submit a written work plan that demonstrates the ability of the applicant to make and service loans to eligible entities under this program and the feasibility of the applicant's lending program to meet the objectives of this part.

(c) The applicant should submit a narrative establishing the basis for any claims that it has substantial expertise in making and servicing loans. The Secretary will give priority to an applicant that demonstrates it has substantial experience of this type.

(d) The applicant may submit such additional information as it elects to