§ 1942.307  Limitations on use of grant funds.

(a) Funds will not be used:

(1) To produce agriculture products through growing, cultivation and harvesting either directly or through horizontally integrated livestock operations except for commercial nurseries, timber operations or limited agricultural production related to technical assistance projects.

(2) To finance comprehensive areawide type planning. This does not preclude the use of grant funds for planning for a given project.

(3) For loans by grantees when the rates, terms and charges for those loans are not reasonable or would be for purposes not eligible under §1942.306 of this subpart.

(4) For programs operated by cable television systems.

(5) To fund a 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.

(6) To pay for technical assistance as defined in this subpart which duplicates assistance provided to implement an action plan funded by the Forest Service (FS) under the National Forest-Dependent Rural Communities Economic Diversification Act for 5 continuous years from the date of grant approval by the FS. To avoid duplicate assistance, the grantee shall coordinate with FS and Rural Business-Cooperative Service (RBS) to ascertain if a grant has been made in a substantially similar geographical or defined local area in a State for technical assistance under the above program. The grantee will provide documentation to FS and RBS regarding the contact with each agency. Under its program, the FS assists rural communities dependent upon national forest resources by establishing rural forestry and economic diversification action teams which prepare action plans. Action plans are intended to provide opportunities to promote economic diversification and enhance local economies dependent upon national forest resources.

(b) At least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.


§ 1942.308  Regional Commission grants.

(a) Grants are sometimes made by Federal Regional Commissions for

projects eligible for FmHA or its successor agency under Public Law 103–354 assistance. FmHA or its successor agency under Public Law 103–354 has agreed to administer such funds in accordance with FmHA or its successor agency under Public Law 103–354 regulations and the requirements of the commission.

(b) The transfer of funds from a Regional Commission to FmHA or its successor agency under Public Law 103–354 will be based on specific applications determined to be eligible for an authorized purpose in accordance with the requirements of FmHA or its successor agency under Public Law 103–354 and the Regional Commission.

(c) ARC is authorized under the Appalachian Regional Development Act of 1965 (40 U.S.C. 1–405), as amended, to serve the Appalachian region. ARC grants are handled in accordance with the ARC Agreement which applies to all ARC grants administered by the Agency. Therefore, a separate Project Management Agreement between the Agency and ARC is not needed for each ARC grant.

(d) Other Federal Regional Commissions are those authorized under title V of the Public Works and Economic Development Act of 1965. Grants by these commissions are handled in accordance with a separate Project Management Agreement between the respective Regional Commission and FmHA or its successor agency under Public Law 103–354 for each Commission grant administered by FmHA or its successor agency under Public Law 103–354 (Guide 1 of this subpart). The agreement should be prepared by the FmHA or its successor agency under Public Law 103–354 State Director and the appropriate Commission official when the State Director receives a notice from the Commission of the amount of the grant to be made.


\$ 1942.309 [Reserved]

\$ 1942.310 Other considerations.

(a) Civil rights compliance requirements. All grants made under this subpart are subject to the requirements of title VI of the Civil Rights Act of 1964, which prohibits discrimination on the bases of race, color, and national origin as outlined in subpart E of part 1901 of this chapter. In addition, the grants made under this subpart are subject to the requirements of section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of handicap, the requirements of the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age and title III of the Americans with Disabilities Act, Public Law 101–336, which prohibits discrimination on the basis of disability by private entities in places of public accommodations. When FmHA or its successor agency under Public Law 103–354 is administering a Federal Regional Commission grant and no FmHA or its successor agency under Public Law 103–354 RBE/televison demonstration grant funds are involved, the Federal Regional Commission may make its own determination of compliance with the above Acts, unless FmHA or its successor agency under Public Law 103–354 is designated compliance review responsibilities. FmHA or its successor agency under Public Law 103–354 shall in all cases be made aware of any findings of discrimination or noncompliance with the requirements of the above Acts.

(b) Environmental requirements—(1) General applicability. Unless specifically modified by this section, the requirements of subpart G of part 1940 of this chapter apply to this subpart. FmHA or its successor agency under Public Law 103–354 will give particular emphasis to ensuring compliance with the environmental policies contained in §§1940.303 and 1940.304 in subpart G of part 1940 of this chapter. Although the purpose of the grant program established by this subpart is to improve business, industry and employment in rural areas, this purpose is to be achieved, to the extent practicable, without adversely affecting important environmental resources of rural areas such as important farmlands and forest lands, prime rangelands, wetlands and floodplains. Prospective recipients of grants, therefore, must consider the potential environmental impacts of their applications at the earliest planning stages and develop plans, grants