



RURAL SERVICES

APPLICATION PACKET

FISCAL YEAR 2019

ARKANSAS RURAL COMMUNITY GRANT PROGRAM

DEADLINE:

Cycle I - August 9, 2018

Cycle II - March 7, 2019

ARKANSAS ECONOMIC DEVELOPMENT COMMISSION, DIVISION OF RURAL SERVICES
ARKANSAS RURAL DEVELOPMENT COMMISSION

For Questions Contact:

Tonya Hass

Rural Community Grants Manager 900
West Capitol, Suite 400 Little Rock, AR
72201

(501) 682.6011 | 1-888-RURAL-AR

Email: THass@ArkansasEDC.com

www.ArkansasEDC.com/Rural-Services

Arkansas Economic Development Commission, Division of Rural Services and the Arkansas Rural Development Commission

The Arkansas Economic Development Commission (AEDC), Division of Rural Services (DRS), is charged with assisting rural communities with a population of 20,000 and under. Established under Act 302 of 1991, and merged with the Arkansas Economic Development Commission under Act 8 of the 2015 First Extraordinary Session, DRS assists local agencies in rural areas with information and technical assistance. Currently, more than 80% of Arkansans live in rural areas.

The Arkansas Rural Development Commission (ARDC) is a group of citizens from rural Arkansas responsible for overseeing the programs of DRS. Seven of its members are appointed by the Governor, two are appointed by the Senate President Pro-Tem, and two are appointed by the Speaker of the House. Commissioners serve multiple-year terms and meet throughout the year to discuss rural issues that affect Arkansans.

The mission of these two groups is to *"Enhance the quality of life in rural Arkansas."*

One focus of the Division of Rural Services is to be a source of information for rural citizens and provide support services to rural communities. DRS publishes a quarterly newsletter that covers rural policies and topics. The Division also hosts an annual conference and local forums around the state throughout the course of the year.

DRS provides funding for worthwhile projects in rural communities through a variety of grant programs. One such program is the Arkansas Rural Community Grant Program (RCGP). Since this grant's inception, more than \$12 million has been awarded to communities in all 75 counties. When the local community matches are added in, this grant program has generated more than \$24 million dollars toward enhancing rural communities.

General Information and Eligibility

Through the Arkansas Rural Community Grant Program (RCGP), the Arkansas Rural Development Commission and the Division of Rural Services strive to enhance quality of life in the state by providing incentive grants on a matching basis. The Rural Community Grant Program can assist with the improvement of local fire protection, including related emergency services and construction, along with the development and improvement of community facilities.

Incorporated cities and towns and unincorporated communities in rural areas of less than 3,000 in population (verifiable by current U.S. Census information) are eligible to apply for assistance through the Arkansas Rural Community Grant Program. In keeping with our enabling legislation, a rural area is defined, for the purpose of this program, as "all the territory of the State of Arkansas that is not within the outer boundary of any city or town having a population of 20,000 or more according to the latest federal census or within such a city's or town's neighboring urbanized areas."

What Type of Projects are Eligible

Projects eligible for funding consideration under the Rural Community Grant Program include, but are not limited to:

- Renovations, new construction or additions to publicly owned buildings such as civic or community centers, senior or youth centers, libraries, museums, and etc.
- Renovations, new construction, new equipment, or additions to parks and other publicly owned recreational facilities such as baseball or softball fields, landscape or beautification projects, park and picnic areas, jogging/walking trails, and etc.
- Purchase of storm sirens or construction of publicly owned storm shelters accessible to the citizens of the entire community.
- Renovations, new construction, or additions to fire facilities.
- The purchase of fire protection equipment and vehicles.
- The rehabilitation and/or retrofitting of newly acquired equipment and vehicles.

Note: If you are not positive that your project is eligible, please call our Grants Manager at 1-888-RURALAR.

What Type of Projects are Ineligible

Projects not eligible for funding consideration under the Rural Community Grant Program include, but again are not limited to:

- Municipal buildings such as courthouses, city halls, police stations, sheriff's offices, and city or county jails.
- Cemetery and other city or county facility fencing and maintenance.
- Chatting and paving of driveways, parking lots or roadways.
- Fairground and rodeo construction owned by incorporated associations. (Please see DRS County Fair Building Grant Program for fairground projects only.)
- Any costs associated with normal day-to-day operations or maintenance.
- Debt financing of any type, new or existing. (Debt financing is defined for the purpose of this program as reimbursement of new or existing loans, loan payments, or reimbursement for equipment, facilities, labor, or property already purchased or constructed.)
- Training, travel, or any other personnel related expenses.
- Any contingency or emergency fees.

Due to the limited amount of funds available for rural communities, the Arkansas Rural Development Commission has elected to make the following entities and projects ineligible for grant funding: county health units, schools/preschools, transfer stations, water projects, elections, and private, non-profit associations.

Note: Applicants are not eligible for a Rural Community Grant if the community/city has an RCGP grant currently open. Once the grant has been closed out, applicants are eligible to apply.

Funding Availability

The Arkansas Legislature appropriated \$600,000 for each year of the 2018-2019 biennium to be expended through the Arkansas Rural Community Grant Program.

Applicants with an eligible project may apply for up to \$15,000 in state matching funds toward a project for community development or fire protection projects. As the grant pool is limited, it may sometimes be necessary to make awards of less than the amount actually requested and some projects unfortunately cannot be funded at all.

Matching Requirement

The Arkansas Rural Community Grant Program is a 50/50 matching program. This requires that the applicant must be able to match its grant award with a like amount of cash and/or property in-kind (fair market value, based on verifiable documentation provided by the applicant).

For purposes of this program, a match is defined as a combination of donated labor, donated land, donated materials, or cash to comprise at least 50% of the cost estimate provided by the community. Materials or labor not listed on the cost estimate of the application cannot be used as match. Local donations are defined as gifts given by local residents or locally based businesses for the purposes of the projects outlined in the applicant's grant proposal.

The match must be derived locally and can be:

- Appropriated in full by the local governing body (city council or quorum court).
- Donated by local businesses and citizens.
- Money raised through fund-raisers.
- A combination of local appropriation, citizen or business donations, or fundraisers.

All matching funds must be pledged at the time of application submission and be immediately available if an award is received. Donated labor cannot count as match if it is executed before the grant is awarded. Debt financing of any nature cannot be used for matching purposes. Act 833 money for fire departments is eligible as match.

It is important to note that the local match does not have to be entirely in cash. In-kind donations of project equipment, labor, land, and materials will be accepted based on fair market value estimates provided by the applicant and verified by DRS staff. For land, buildings, and donated labor to be eligible as match, they must be part of the project and must be included in the cost estimate of the project.

Example of a Proper Match

Cost Estimate:

Land	\$ 5,000*
30 x 40 Metal Building	\$ 10,000
Labor to Construct Building	\$ 5,000
Reinforced Concrete Slab	<u>\$ 10,000</u>
	\$ 30,000

Funding Source Breakdown:

Requested from ARCGP	\$ 15,000
Donated Land	\$ 5,000*
Donated Labor	\$ 5,000
Cash on Hand	<u>\$ 5,000</u>
	\$ 30,000

*The land should be included on both the cost estimate and funding source breakdown if it is donated. If the community has to purchase the land, then it is only part of the cost estimate. Additionally, the applicant has broken down the cost of the building into material cost and labor cost, allowing them to match dollars with donated labor, but still have enough cash to pay for materials.

A total project cost does not have to equal \$30,000. It can be more or less. However, if the total project cost is more than \$30,000 the applicant should provide proof that the entire project can be funded. For example, if the total project cost is \$45,000, the applicant may apply for \$15,000 but should still show how the additional \$30,000 is being funded. Therefore, an applicant should only apply for what can be completed and funded within the project timeline of one year.

Current Allowable Expenses for Donated Labor

If a community chooses to use donated labor or services for all or a portion of the grant match, it must be submitted in one of two ways. First, if the labor donated is unskilled, volunteer labor; DRS will bill at \$20.01 for each individual hour donated. Simply put, if four people donate one hour each to the project, \$80.04 ($\$20.01 \times 4 = \80.04) can be claimed toward the community's portion of the match. Secondly, if the labor donated is skilled, professional labor, DRS will accept the estimate given by the company or individual. For this to be accepted, a donor must be licensed or considered a professional in the field where the donation is being made. This professional labor donation can include, but is not limited to, dozer/dirt work, electrical, plumbing, carpentry, welding, and etc.

Application Process

The program operates on a continuous cycle, with awards twice each state fiscal year. Fiscal year 2019 applications will be accepted beginning July 1, 2018 and ending in March 2019. Applicants must gain the approval of their local governing body and the application must be signed by the county judge or mayor who will be ultimately responsible for the grant should it be received.

If you are incorporated, you must apply through your mayor. Unincorporated areas must apply through the county judge. This process includes completion of the application form and presentation of it to the local council if applying through the city, or quorum court if applying through the county. The local governing official (county judge or mayor) must affix his signature to the following documents for the application to be considered complete:

- Certification letter
- Resolution
- Application (page 11)

Applicants must submit an original application with original signatures.

Application Review and Awards Presentation

Applications are numbered and inspected for completeness and eligibility in the order received by the AEDC Division of Rural Services. Individual proposal consultations can be arranged with staff by appointment. Applicants are encouraged to

submit applications well in advance of the cycle deadline to allow DRS staff to thoroughly review the application and assist applicants in correcting any deficiencies prior to the deadline.

Applications received postmarked after the deadline date will not be eligible for consideration.

After staff review for completeness and eligibility, applications undergo a three step review process. Following final review and approval, the grants are awarded by the Governor at a ceremony scheduled by DRS. This process can take up to 3 months after the deadline date.

Note: A community cannot begin on any part of the project until they have received their grant funds.

Reporting Requirements and Responsibilities

In compliance with Act 1009, project funds will be expended through a fund established on the books of the city or county clerk. A copy of the original proposal and all project expenditures, with invoices attached, will be approved by the mayor or county judge and remain on file in the office of the mayor or county judge for three years or until audited, whichever is later.

All project expenditures must be completed within 12 months after the date of the award. A final report, including cancelled checks and receipts of all funds expended, along with the state's one-half of any unspent funds, must be submitted by the mayor or county judge to DRS and subsequently to the Chief Fiscal Officer of the state. This must be done no more than 60 days following the project's completion or within the one-year period of the grant award, whichever comes first.

Re-Submission Process

Due to the limited amount of funds in the grant pool, not all projects can be funded. Typically, only 1 out of every 5 grants is awarded. Anywhere from \$250,000 to \$1 million dollars is requested each cycle.

Applicants with no changes to their application may re-apply by forwarding a letter signed by the local governing official to the Division of Rural Services. An application can be resubmitted for the next two scheduled funding cycles for a total of three submissions (original plus two additional cycles).

The body of the resubmission letter should read as follows:

“Please resubmit the (community name) Arkansas Rural Community Grant Application for reconsideration in Cycle (1,2,3) of Fiscal year 2017, which ends (deadline date).”