

CF Loan Application Checklist	Document or Form
Board Resolution authorizing filing of an application	Sample attached
Application for Federal Assistance	SF 424
Last Three Years Audits	
Last Three Years Utilization statistics	
Current Fiscal Year-to-date in house financials	
Financial Application Forms (see attached excel spreadsheet for preparation)	RD 442-07; and RD 442-03 (if audit not available)
Financial Feasibility Report	RD Instruction 1942-A Guide 5
Three years proforma financials reflecting the effects of this project	Internally prepared Income statement, balance sheet, cash flows including list of assumptions driving output
List of competitors, location, distance from your facility, size	
Depreciation schedule on existing assets	
Detailed Project Cost Estimate	
Copies of existing debt/loan documents	
Evidence of notification to State Clearinghouse	Sample letter and front page of SF 424
Copy of current by-laws and articles of incorporation with Secretary of State reproduction certification	Secretary of State
Current Certificate of Good Standing	Secretary of State
Evidence of Public Meeting	Sample attached
Statement of proposed collateral	Can be discussed at workshop
Listing of Board Members and their Terms of Office	
Certificate of Support	Please see attached explanation
Required Certifications	AD-1047, AD 1049, RD 400-1, RD 400-4, 1940-Q Exhi A-1; RD 1910-11; OMB No. 1890-014; CF App Certification
Environmental Checklist for Categorical Exclusion	Form RD 1940-22 (used for equipment-only projects)
NEPA Environmental Checklist	RD 1940-20 (needed for equipment projects where an item in Form 1940-22 Column C is checked "yes" and for all other projects)

Applicant Name

Resolution No. _____

Resolution Authorizing Applications for
Loan Funds and Designating Authorized Representative

In order to authorize the preparation and filing of an application for loan funds in connection with possible improvements to the (clinic, hospital, etc), and to designate an authorized representative to represent (applicant name) in connection with any such applications, the Board of Directors of the (applicant name) hereby adopts the following recitals and resolutions:

WHEREAS, the Board of Directors of (applicant name) anticipates the need to make improvements to its facilities;
and

WHEREAS, in order to pay for such improvements the (applicant name) will need to obtain loan funds; and

WHEREAS, in connection with any negotiations and applications for such loan funds the (applicant name) needs to designate an authorized representative to act on behalf of the (applicant name).

THEREFORE, BE IT RESOLVED, by the Board of Directors of the (applicant name), that the (title), (name), is hereby designated as the (applicant's) Representative with full authority to meet with possible lenders, to negotiate the terms of any loans to assist the (applicant) in paying for the improvements, and the Board hereby authorizes said representative to sign applications and other documents for any such loans on behalf of the (applicant).

PASSED AND ADOPTED by the Board of Directors of the (applicant name) at its regular meeting held on (date) by the following vote:

AYES AND IN FAVOR: Director(s): _____

NOES: Director(s): _____

ABSENT: Director(s): _____

ABSTENTIONS: Director(s): _____

DATED: _____.

XXXX, President of the Board of Directors of (application name).

USDA-RD

Position 3

Form Approved
OMB No. 0575-0015

Form RD 442-7
(Rev. 3-02)

OPERATING BUDGET

Schedule 1

Name		Address			
Applicant Fiscal Year		County			State (Including ZIP Code)
From	To				
	20	20	20	20	First Full Year
	(1)	(2)	(3)	(4)	(5)

OPERATING INCOME

1					
2					
3					
4					
5 Miscellaneous					
6 Less: Allowances and Deductions	()	()	()	()	()
7 Total Operating Income (Add Lines 1 through 6)	\$ -	\$ -	\$ -	\$ -	\$ -

OPERATING EXPENSES

8					
9					
10					
11					
12					
13					
14					
15 Interest (RD)					
16 Depreciation					
17 Total Operating Expense (Add lines 8 through 16)	\$ -	\$ -	\$ -	\$ -	\$ -

18 NET OPERATING INCOME(LOSS) (Line 7 less 17)	\$ -	\$ -	\$ -	\$ -	\$ -
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NONOPERATING INCOME

19					
20					
21 Total Nonoperating Income(Add Lines 19 and 20)	\$ -	\$ -	\$ -	\$ -	\$ -
22 NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -

(Add Lines 18 and 21) (Transfer to Line A Schedule 2)

Budget and Projected Cash Flow Approved by Governing Body

Attest:

	<i>Secretary</i>	<i>Date</i>
	<i>Appropriate Official</i>	<i>Date</i>

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PROJECTED CASH FLOW

	20	20	20	20	First Full Year
A. Line 22 from Schedule 1 Income <i>(Loss)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Add</i>					
B. Items in Operations not Requiring Cash:					
1 Depreciation <i>(Line 16, Schedule 1)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
2 Others:	\$ -	\$ -	\$ -	\$ -	\$ -
C. Cash Provided from:					
1 Proceeds from RD loan/grant	\$ -	\$ -	\$ -	\$ -	\$ -
2 Proceeds from others	\$ -	\$ -	\$ -	\$ -	\$ -
3 Increase <i>(Decrease)</i> in Accounts Payable, Accruals and other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
4 Decrease <i>(Increase)</i> in Accounts Receivable, inventories and Other Current Assets <i>(Exclude Cash)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
5 Other:	\$ -	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -	\$ -
D. Total all A, B and C Items	\$ -	\$ -	\$ -	\$ -	\$ -
E. Less: Cash Expended for:					
1 1. All Construction, Equipment and New Capital Items <i>(Loan and grant funds)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
2 Replacement and Additions to Existing Property, Plant and Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
3 Principal Payment RD Loan	\$ -	\$ -	\$ -	\$ -	\$ -
4 Principal Payment Other Loans	\$ -	\$ -	\$ -	\$ -	\$ -
5 Other:	\$ -	\$ -	\$ -	\$ -	\$ -
6 Total E 1 through 5	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Add</i>					
F. Beginning Cash Balances	\$ -	\$ -	\$ -	\$ -	\$ -
G. Ending Cash Balances <i>(Total of D minus E 6 plus F)</i>	\$ -	\$ -	\$ -	\$ -	\$ -

Item G Cash Balances Composed of:

Construction Account	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Account	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Payment Account	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Account	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Account	\$ -	\$ -	\$ -	\$ -	\$ -
Funded Depreciation Account	\$ -	\$ -	\$ -	\$ -	\$ -
Others:	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Agrees with Item G	\$ -	\$ -	\$ -	\$ -	\$ -

Form RD 442-3 (Rev. 3-97)	Name Address	
BALANCE SHEET		
ASSETS	Month Day Year	Month Day Year
<u>CURRENT ASSETS</u>	<i>Current Year</i>	<i>Prior Year</i>
1 Cash on hand in Banks		
2 Time deposits and short-term investments		
3 Accounts receivable		
4 Less: Allowance for doubtful accounts		
5 Inventories		
6 Prepayments		
7		
8		
9 Total Current Assets (Add 1 through 8)	\$ -	\$ -
<u>FIXED ASSETS</u>		
10 Land		
11 Buildings		
12 Furniture and equipment		
13		
14 Less: Accumulated depreciation		
15 15. Net Total Fixed Assets (Add 10 through 14)	\$ -	\$ -
<u>OTHER ASSETS</u>		
16		
17		
18 Total Assets (Add 9, 15, 16 and 17)	\$ -	\$ -
LIABILITIES AND EQUITIES		
<u>CURRENT LIABILITIES</u>		
19 Accounts payable		
20 Notes payable		
21 Current portion of USDA note		
22 Customer deposits		
23 Taxes payable		
24 Interest payable		
25		
26		
27 Total Current Liabilities (Add 19 through 26)	\$ -	\$ -
<u>LONG-TERM LIABILITIES</u>		
28 Notes payable USDA		
29		
30		
31 Total Long-Term Liabilities (Add 28 through 30)	\$ -	\$ -
32 Total Liabilities (Add 27 and 31)	\$ -	\$ -
<u>EQUITY</u>		
33 Retained earnings		
34 Memberships		
35 Total Equity (Add lines 33 and 34)	\$ -	\$ -
36 Total Liabilities and Equity (Add lines 32 and 35)	\$ -	\$ -
CERTIFIED CORRECT	Date	Appropriate Official (Signature)

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0015. The time required to complete this information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

FINANCIAL FEASIBILITY REPORT

I General.

The following may be used as a guide for the preparation of financial feasibility reports as required for Rural Development financed facilities. The guide contains minimal requirements and the report writer is expected to fully disclose and analyze all significant factors which will likely have a favorable or adverse effect on the financial success of the proposed facility.

A Need for the facility.

B Existing facilities.

Explain current capacities, rates or usage, activities, suitability for continued use, alternate usage, deficiencies in services, staffing, physical conditions, and any other pertinent information.

C Proposed facility.

1 Description of construction and renovation by component parts including capacity of each component part and physical limiting factors.

2 Explain and document the need for the facility. Include comments regarding the following:

- a Service area
- b Population trends
- c Similar facilities and services in the area
- d Usage trends
- e Community support
- f Regulatory agency approval
- g Economy in the service area
- h Analysis of staff and consultants

D Financial information.

1 Explain all assumptions underlying the expected demand, use, and projections of financial data, such as:

RD Instruction 1942-A
(Guide 5) (Page 2)

- a Changes in usage
- b All income and expense
- c Rate structure
- d Allowance for uncollectible accounts
- e Depreciation life and method
- f Description of long-term debts

2 Financial statements. The following financial statements must be prepared reflecting five years projections:

- a Balance sheet for all funds
- b Statement of income and expense
- c Statement of cash flow (cash receipts and disbursements)
- d Comparison data for facilities in service area (latest year only)

(Date)

California State Clearinghouse
Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812

To Whom It May Concern:

Pursuant to State Executive Order 12372, we are enclosing a copy of the first page of the preapplication form SF 424 that has been filed with USDA Rural Development by (name of organization)

Sincerely,

(Name)
(Title)

NOTICE OF PUBLIC INFORMATION MEETING

NOTICE IS HEREBY GIVEN that (APPLICANT'S NAME) will hold a Public Meeting on xxx, at xx PM at (MEETING LOCATION). *(notice must appear in non-legal section of newspaper at least 10 days prior to the scheduled meeting – Proof of Publication of the Notice and Minutes of the meeting must be included in the application).*

The purpose of the public meeting will be to inform the public about the (applicant's) *(describe project)* and to take comments.

(10) Suballocation by the State Director. See paragraph (b)(10) of this section. The State Director has the option to suballocate funds to processing offices.

§1780.19 Public information.

(a) **Public notice of intent to file an application with the Agency. Within 60 days of filing an application with the Agency the applicant must publish a notice of intent to apply for a RUS loan or grant. The notice of intent must be published in a newspaper of general circulation in the proposed area to be served.**

(b) **General public meeting.** Applicants should inform the general public regarding the development of any proposed project. Any applicant not required to obtain authorization by vote of its membership or by public referendum, to incur the obligations of the proposed loan or grant, must hold at least one public information meeting. **The public meeting must be held not later than loan or grant approval.** The meeting must give the citizenry an opportunity to become acquainted with the proposed project and to comment on such items as economic and environmental impacts, service area, alternatives to the project, or any other issue identified by Agency. To the extent possible, this meeting should cover items necessary to satisfy all public information meeting requirements for the proposed project. To minimize duplication of public notices and public involvement, the applicant shall, where possible, coordinate and integrate the public involvement activities of the environmental review process into this requirement. **The applicant will be required, at least 10 days prior to the meeting, to publish a notice of the meeting in a newspaper of general circulation in the service area, to post a public notice at the applicant's principal office, and to notify the Agency. The applicant will provide the Agency a copy of the published notice and minutes of the public meeting.** A public meeting is not normally required for subsequent loans or grants which are needed to complete the financing of a project.

§§1780.20 - 1780.23 [Reserved]

§1780.24 Approval authorities.

Appropriate reviews, concurrence, and authorization must be obtained for all loans or grants in excess of the amounts indicated in RUS Staff Instruction 1780-1.

(a) Redelegation of authority by State Directors. Unless restricted by memorandum from the RUS Administrator, State Directors can redelegate their approval authorities to State employees by memorandum.

(b) Restriction of approval authority by the RUS Administrator. The RUS Administrator can make written restrictions or revocations of the authority given to any approval official.

§1780.25 Exception authority.

The Administrator may, in individual cases, make an exception to any requirement or provision of this part which is not inconsistent with the authorizing statute or other applicable law and is determined to be in the Government's interest.

§§1780.26 - 1780.30 [Reserved]

Explanation of the requirement for a "Certificate of Support"

As part of the application process, section 3811 of the Consolidated Farm and Rural Development Act (CONACT – which authorizes the program) requires evidence of significant community support in the form of a certification of support for each project or facility from any affected local government body. The certificate is required for all Community Facilities guaranteed loans, direct loans, and grants.

There is no requirement for financial support. The certificate of support should include sufficient information to determine that a community facility will provide needed services to the community and will have no adverse impact on other community facilities providing similar services. The organization is required to provide sufficient information to affected local governments as may be needed to obtain the certificate of support.

USDA- Rural Development
Form RD 1940-22
(Rev. 6-88)

**ENVIRONMENTAL CHECKLIST FOR
CATEGORIAL EXCLUSIONS**

1. Description

a. Name of Project:

b. Project Number:

c. Location:

2. Protected Resources

For the below listed land uses or environmental resources, the undersigned has checked Column A to indicate those that are present within the site(s) of the proposed action. Column B has been checked for those that are within the action's area of environmental impact, such as the areas adjacent to the proposed site(s). Column C has been checked for those land uses and environmental resources that will be affected by the proposed action, as defined in Section 1940.317. (Check appropriate box or circle, as provided. If a check appears in any circle in column A, B, or C, the environmental assessment for a Class I action must be completed).

- a. Wetlands
- b. Floodplains with existing structure(s)
- c. Floodplains without existing structures
- d. Wilderness (*designated or proposed under the Wilderness Act*)
- e. Wild or Scenic River (*proposed of designated under the Wild and Scenic Rivers Act*)
- f. Historical, Archeological Sites (*listed on the National Register of Historical Places or which may be eligible for listing*)
- g. Critical Habitat or Endangered/Threatened Species (*listed or proposed*)
- h. Coastal Barrier included in Coastal Barrier Resources System
- i. Natural Landmark (*Listed on National Registry of Natural Landmarks*)
- j. Important Farmlands
- h. Prime Forest Lands
- l. Prime Rangeland
- m. Approved Coastal Zone Management Area
- n. Sole Source Aquifer Recharge Area (*designated by Environmental Protection Agency*)
- o. State Water Quality Standard

	<u>A</u>		<u>B</u>		<u>C</u>	
	Located on Proposed Site(s)		Located within Actions's Area of Environmental Impact		Affected by Proposed Action	
	Yes	No	Yes	No	Yes	No
a. Wetlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
b. Floodplains with existing structure(s)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
c. Floodplains without existing structures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
d. Wilderness (<i>designated or proposed under the Wilderness Act</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
e. Wild or Scenic River (<i>proposed of designated under the Wild and Scenic Rivers Act</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
f. Historical, Archeological Sites (<i>listed on the National Register of Historical Places or which may be eligible for listing</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
g. Critical Habitat or Endangered/Threatened Species (<i>listed or proposed</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
h. Coastal Barrier included in Coastal Barrier Resources System	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
i. Natural Landmark (<i>Listed on National Registry of Natural Landmarks</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
j. Important Farmlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
h. Prime Forest Lands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
l. Prime Rangeland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
m. Approved Coastal Zone Management Area	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
n. Sole Source Aquifer Recharge Area (<i>designated by Environmental Protection Agency</i>)	<input type="radio"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>	<input type="checkbox"/>
o. State Water Quality Standard					<input type="radio"/>	<input type="checkbox"/>

3. Compliance With Highly Erodible Land and Wetland Conservation Requirements

Yes No This action is subject to the highly erodible land and wetland conservation requirements contained in Exhibit M of RD Instruction 1940-G

If "yes" is checked, please complete (a), (b), (c), and (d).

a. Attached as Exhibit _____ is a completed Form SCS-CPA-026 which documents the following:

Yes No Highly erodible land is present on the farm property.

Yes No Wetland is present on the farm property.

Yes No Converted wetland is present on the farm property.

b. Yes No This action qualifies for the following exemption allowed under Exhibit M:

c. Yes No The applicant must complete the following requirements prior to approval of the action in order to retain or regain its eligibility for Agency financial assistance:

d. Yes No Under the requirements of Exhibit M, the applicant's proposed activities are eligible for Agency financial assistance.

4. Finding

This proposal meets, in terms of its size and components, the criteria for a categorical exclusion as defined in Section 1940.310 and 1940.317. As indicated in item 2 above, the proposal does not affect any important land uses or environmental resources that would subject it to disqualification as a categorical exclusion. Finally, the proposal is neither a phase nor segment of a project which when viewed in its entirety would not meet the requirements of a categorical exclusion per Section 1940.317 (d).

*(*Signature of Preparer)*

(Date)

(Title)

*(*Signature of Concurring Official)*

(Date)

(Title)

*See Section 1940.302 for listing of Agency officials authorized to prepare this form. See Section 1940.316 for when a concurring official's signature is required and who is authorized to sign as the concurring official.