



RURAL INNOVATION GRANT GUIDELINES

BOOST FOR BUSINESS

RURAL FOOD PROCESSORS

The Rural Innovation Grant program aims to support creative ideas that address current issues and challenges faced by rural communities associated with the themes of community investment, growth, and connection. The word “innovation” is derived from the Latin verb *innovare*, which means to renew. At its root, innovation means to improve or to replace something, such as a process, a product, or a service. It is the concept of bringing creativity into implementation with a definitive outcome. This grant is designed to support the implementation stage of projects.

Iowa has a strong focus on rural agriculture, including value-added ag products. This grant program will assist rural entrepreneurs in strategically growing their business. Iowa has seen significant growth in the small food processor industry; the goal of this program is to provide critical information, services, and resources to existing small businesses that are on the verge of growth.

The program, defined in [Iowa Administrative Code](#), is administered by the [Center for Rural Revitalization](#), a division of the Iowa Economic Development Authority (IEDA), in consultation with the Governor’s Empower Rural Iowa Initiative Task Force.

TIMELINE

March 3, 2025 | Application Window Opens
Application available through IowaGrants.gov

April 25, 2025 | Application Deadline
Deadline to submit an application for funding is 4pm CT on April 25.

Summer 2025 | Funding Decision Notification
Applicants notified of funding decisions by early Summer 2025.

Summer 2025 - June 30, 2026 | Funding Period
All project activities and incurred expenses must occur within the eligible contracted funding period from the date of the award letter to June 30, 2026. Funding is awarded on a reimbursement basis after expenses have been incurred for approved project activities.



FUNDING

Grant Request Amount

Applicants may request up to \$5,000 for eligible one-time project expenses that are incurred and expended within the eligible funding period.

Match Requirement

Applicants are required to demonstrate investment in projects by providing a minimum of 1:1/2 cash match. For example, an applicant that requests \$5,000 in grant funds must have at least \$2,500 in cash match. The cash match must be secured, dedicated to eligible expenses, a legitimate part of the proposed project and must be expended within the eligible funding period. The 1:1/2 match requirement may be raised through a combination of public and private sources but may not include in-kind donations of goods or services, unsecured funding, or loans. While the minimum match requirement is 1:1/2, competitive proposals will demonstrate broad-based financial support for their project and that public funding sources have been adequately leveraged to seek and obtain private dollars.

- Cash match constitutes actual cash contributed to direct project expenses by the applicant or other funding sources.
- Funding from state government that is already being used as match from another program, including other funds from the IEDA, cannot be used to meet the match requirement.

Funding Period

All project activities and incurred expenses must occur within the eligible contracted funding period, award letter date to June 30, 2026. Funding is awarded to grant recipients on a reimbursement basis after expenses have been incurred for approved project activities within the eligible funding period. Expenses that are incurred before or after the eligible funding period are not eligible for reimbursement.

Disbursement of Funds

Disbursements will be made on a reimbursement basis. Disbursement claims must be for an amount equal to or greater than \$500 per request. All claims must be made through IowaGrants.gov. To receive funds, the applicant must be in good standing with the Iowa Department of Revenue.

When submitting a claim, the following items are required.

- A claim including:
 - A detailed description of the expenditures and the corresponding amounts
 - Product invoices and proof of payment for any equipment, supplies or materials purchased
 - Invoices and proof of payment for any subcontractor payments
- A status report for the claim period.
- The IEDA may request additional documentation as needed.



ELIGIBILITY REQUIREMENTS

Eligible Applicants

An eligible applicant is a small food processor or value-added agriculture company incorporated in the state of Iowa or authorized to do business and operating in the state of Iowa. The applicant will be responsible for submitting material during the funding application process and will be the entity legally obligated to the terms of an agreement if awarded funding. Partners and collaborating entities are not subject to the eligibility requirements but may be subject to financial and programmatic review during the selection process.

- Projects/programs must exist in and benefit a community in Iowa with a population of 20,000 or fewer and not contiguous (sharing a common border) to a city with a population of 40,000 or greater or be in an Iowa county that is one of the 88 least populous counties in the state.
- An eligible applicant will be allowed to submit one application per funding announcement. An applicant who has applied as the principal entity for an application may also be named as a partner on additional applications but may not be named as a primary entity.
- An applicant that received an award from the Rural Innovation Grant program in January 2025 is ineligible to receive funding this cycle.
- Eligible applicants must have been in business for a minimum of one (1) year, have annual sales of less than \$1 million, and employ 1-50 individuals.

Eligible Use of Funding

Grant funds may be used for equipment or technology upgrades. Other eligible uses of funds include, but are not limited to, the following:

- Equipment, packaging, labeling and related processes to aid in getting food products to new markets.
- Contract fees for food safety experts, Center for Industrial Research and Service (CIRAS) consultations, and other related services to help meet industry regulations, labeling requirements, or other challenges related to getting products to market.

INELIGIBLE PROJECT ACTIVITIES AND EXPENSES

Funding for existing projects or programs that do not include significant expansion of the project or program are ineligible. The Grant Program does not support ongoing expenses for existing programs or projects.

Ineligible expenses include, but are not limited to:

- International or domestic travel (outside of Iowa)
- Insurance
- Conference or training expenses for program providers
- Routine, reoccurring maintenance
- Ongoing utilities
- Budget shortfalls
- Fundraising or benefit event activities
- Lobbying activity

ONLINE APPLICATION SUBMISSION

Applicants must apply via [iowaGrants.gov](https://iowagrants.gov), an online application portal. Applications will not be accepted in any other format. Late, incomplete, or ineligible applications will not be accepted. Applicants must create a login to view the full application for the program.

REVIEW PROCESS

Applications will be reviewed for completion, eligibility, and adherence to published guidelines. Applications are reviewed as submitted. New application information or subsequent application clarification submitted after a program deadline is not considered. Eligible applications will be referred to a competitive review by a volunteer panel that includes the Governor's Empower Rural Iowa Initiative Task Force members and expert professionals (grant review committee). The grant review committee reserves the right to recommend conditional funding and partial funding of projects. Funding recommendations will be submitted by the committee to the executive director of the IEDA for consideration and approval. The applicant's authorized official will receive award notification. All funding decisions are final.

SCORING RUBRIC

Eligibility Review

Applications must demonstrate evidence of the following:

- Applicant is an eligible candidate.
- Funding request meets eligible project and expense requirements.
- Request is for no more than \$5,000.
- Request includes proof of 1:1/2 cash match for grant request.
- Project duration does not exceed contract period.
- Application is complete and submitted through IowaGrants.gov.
- Applicant has included a letter of support from the local city or county government.
- Primary Applicant is not named as Primary Applicant on any other applications; however, can be named as partners on additional applications.



Application Review

The Scoring Rubric will be used to evaluate applications. Each section has criteria and corresponding point values to ensure a fair review process. Extra consideration is provided to projects that are in a community of 10,000 or fewer (additional 5 points). The rubric is on a scale of 130 points.

1 – PROJECT INFORMATION: 30 points possible		
30	15	1
Proposal aligns with the Empower Rural Iowa Initiative of assisting rural entrepreneurs in strategically growing their business using a creative, concrete solution.	Proposal may align with the Empower Rural Iowa Initiative of assisting rural entrepreneurs in strategically growing their business by developing a concrete solution.	Proposal does not align with the Empower Rural Iowa Initiative of assisting rural entrepreneurs in strategically growing their business.

2 - INNOVATION: 30 points possible		
30	15	1
Proposal clearly addresses targeted company growth innovation and creativity.	Proposal addresses targeted company growth through creative solutions.	Proposal does not clearly address company growth through creative solutions.

3 – PROJECT TIMELINE & IMPLEMENTATION: 10 points possible		
10	5	1
A viable timeline with clear milestones for measuring progress is included.	A timeline with milestones for measuring progress is included.	A vague timeline with unclear milestones for measuring progress is included.

4 – PROJECT OUTCOMES: 30 points possible		
30	15	1
The proposal describes how the project will impact the sustainability/profitability of the business and includes clearly defined, measurable goals.	Proposal articulates defined, measurable goals.	Proposal does not articulate measurable goals.

5 – LETTERS OF SUPPORT & SUPPORT MATERIAL: 10 points possible		
10	5	1
Support material is highly relevant to the project, of high quality and clearly supports the project's excellence.	Support material relates to the project and is of average quality.	Support material is not relevant to the project, of poor quality or does not support excellence of project.

6 - BUDGET: 10 points possible		
10	5	1
Project budget and intended use of requested funds are clear and appropriate. Exceeds required 1:1/2 cash match with a variety of match sources.	Project budget and intended use of requested funds are identified and adequate.	Project budget and intended use of requested funds are unclear or inadequate.

7 - GRANTSMANSHIP & CASE FOR SUPPORT: 5 points possible		
5	3	1
The application is clear, concise and well-composed. Case for support is exemplary and merits investment from the State.	The application is clear. Case for support is adequate.	Application is unclear or poorly composed. Case for support is inadequate or does not merit State investment.

CONTACT

Potential applicants are encouraged to review all published material and contact Empower Rural Iowa Director Robin Bostrom 515.348.6176 or rural@iowaeda.com, with questions well in advance of application deadlines.