

(I) A general ledger Account 7320, "Interest Income (Class A Companies)", or Account 7300.2, "Interest Income (Class B Companies)", as appropriate. The Borrower will credit this account with the amount of interest earned on the revolving fund loans.

(2) *Requisition requirements.* Grant funds may be requisitioned by RUS Borrowers in accordance with disbursement requirements in paragraph (e) of this section. Borrowers will be fully reimbursed for funds expended for approved projects funded. For each completed project, the Borrower will submit the following for reimbursement:

(i) Standard Form 270, "Request for Advance of Reimbursement";

(ii) Copies of cancelled checks and other verifiable source records supporting the transactions; and

(iii) Certification and evidence that the project costs to be reimbursed are for a project which has been authorized by RUS and are authorized costs for that project.

(3) *RUS review.* Requisition requests will be evaluated for compliance with loan purposes previously submitted by the Borrower for project authorization in accordance with paragraphs (c)(1) or (e)(2) of this section, compliance with the Borrower's rural development plan, accounting documentation submitted in paragraph (h)(1) of this section, and the cancelled checks and source records submitted.

[59 FR 11708, Mar. 14, 1994, as amended at 59 FR 38341, July 28, 1994; 59 FR 53931, Oct. 27, 1994]

§ 1703.23 Supplemental funds requirements for zero-interest loans and grants.

The Administrator will not select an application unless the project will receive supplemental funds in an amount at least equal to 20 percent of the RUS zero-interest loan and grant to be provided to the project, as determined by the Administrator. Supplemental funds as used in this section may come from the project owner in the form of equity funds, private sources, state and local government sources, other Federal Government sources, the borrower or other sources. Only supplemental funds that will be provided to the project after the date RUS receives the bor-

rower's completed application may be used to satisfy this requirement. Supplemental financing must be verified and committed to the project in form and substance satisfactory to the Administrator before RUS will advance any funds.

§ 1703.24 [Reserved]

§ 1703.25 Significance of RUS financing to the total project cost.

Selection of applications will be based on a preference for applications requesting RUS financing which will be at least equal to 5 percent of the total project costs, as determined by the Administrator. Projects costs will be based on the amount that would be spent over the first 2 years after the first advance of RUS funds for the component or phase of the undertaking for which the borrower is requesting RUS funds, as determined by the Administrator. The Administrator may determine that a component or phase, especially actions necessary to initiate a larger project, constitute a distinct project for the purposes of this section.

§ 1703.26 [Reserved]

§ 1703.27 Owner's equity in the project.

The Administrator may require, as a condition to RUS financing, that the owner(s) of the project invest equity capital if determined to be financially necessary, based on an RUS financial analysis and sound lending practices.

§ 1703.28 Maximum and minimum sizes of a zero-interest loan or grant application.

(a) The maximum size of an application that will be considered for funding under this subpart during a fiscal year will be 3 percent of the projected total amount available for the zero-interest loans or grants under section 313 of the Act during that fiscal year, rounded to the nearest \$10,000. This determination will be made by the Administrator for each fiscal year.

(b) Regardless of the projected total amount that will be available, the maximum size may not be lower than \$200,000.

(c) The projected total amount available during a particular fiscal year is calculated as the sum of the projected