
RHODE ISLAND

STEP 8 - FY19

State Trade Expansion Program

PROGRAM GUIDELINES

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The John H. Chafee Center for International Business

BRYANT UNIVERSITY

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Bryant University

THE JOHN H. CHAFEE CENTER
FOR INTERNATIONAL BUSINESS



U.S. Small Business
Administration

RI STEP 8 - FY19

The State Trade Expansion Program (STEP) is a national export initiative which makes matching-fund awards to states to assist small businesses in entering and expanding into international markets. Administered by the U.S. Small Business Administration's Office of International Trade, the program's objectives are to increase the number of U.S. small businesses that export and to increase the value of exports by small businesses.

The *Chafee Center for International Business at Bryant University*, in collaboration with the Rhode Island Commerce Corporation, has been awarded the STEP 8 - FY19 STEP grant. The Chafee Center will work with eligible RI small businesses to enroll them in this valuable program and assist them in receiving STEP funding to support their international sales efforts.

STEP ELIGIBILITY REQUIREMENTS

In order to participate in the RI STEP program, a company must meet the following requirements:

- Organized and incorporated in the United States
- Registered in Rhode Island as a for-profit business and has operations in RI
- Meets the SBA definition of a "small business" (*see form*)
- Has been in business not less than 1 year
- Has sufficient resources to bear the costs associated with trade, including the costs of packing, shipping, freight forwarding and custom brokers.
- Is engaged in, or wishes to be engaged in, the delivery abroad of goods and/or services produced in the United States.
- Offers products that are of USA origin, or have at least 51% U.S. content

Eligible small business concerns will be classified as either:

NTE: New To Export = Businesses with either little or no export experience.

ME: Market Expansion = Active exporters focused on expanding into new country markets, into a new region or market segment or introducing new products in an existing market.



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For more information contact:
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RI STEP 8 - FY19

MATCHING-FUND AWARD OPPORTUNITIES

Eligible RI companies may apply for financial assistance for specific activities designed to support export growth. All requests for financial assistance must be *pre-approved prior to the start of the activity* and are available on a reimbursement basis, subject to completion of the approved project and submission of all required materials. **Requests for Approval** are reviewed on a first-come, first served basis while funding is available. All proposed projects and activities must take place between September 30, 2019 and September 29, 2021 to be eligible for funding under STEP 8. Funding is not guaranteed; a Selection Committee will review applications to determine suitability and funding level.

In order to apply for STEP funding a company must:

- Meet the eligibility requirements for participation in the RI STEP grant. (See previous page)
- Submit STEP enrollment forms (STEP Self Representation Form and STEP Business Profile).
- Once enrolled, complete a **STEP Request for Approval**

Requirements for consideration for funding:

- The project or activity must meet the criteria for *eligible activities*, as defined below.
- The company must be able to explain their export marketing strategy and show how the specific activity supports their strategy, either through entry into a new country market, entry into a new market or market segment, or introduction of a new product line into an existing market.
- The company must demonstrate how this activity will *lead to an increase in export sales* and provide a projected ROI.
- The company must be able to demonstrate an ability to *effectively execute* the project.
- The product or service being exported must be of U.S. origin or have at least 51% U.S. content.
- The company must be able to share in the cost of the activity, as shown by the total project budget.
- All requests require an estimated budget with quotes or other information to explain and justify the expenses.
- Requests must reflect the *normal, standard costs* for the project or activity.
- **Priority will be given to new projects and activities. Requests for repeat projects or similar activities within a 3-year period will be subject to greater scrutiny and ROI requirements. If approved, funding may be awarded at a reduced level.**

All **Requests for Approval** will be reviewed by the Selection Committee, taking into consideration the potential to result in increased export sales, the company's ability to execute and the projected ROI. The Selection Committee will make the final determination on approval and determine the appropriate level of funding. For companies that have received previous STEP support, their past efforts will also be taken into consideration, including their response to the quarterly Data Collection requests.

It is not the intent of the STEP grant that companies become dependent on receiving federal STEP funds. Companies are encouraged to graduate from the STEP program after a reasonable duration and priority will be given to new exporters, new initiatives, and companies new to the STEP grant.

RI STEP 8 - FY19

ELIGIBLE ACTIVITIES

Eligibility period: Activities must take place between September 30, 2019 and September 29, 2021

NE = New to Export Company

ME = Market Expansion Company

✓ **Rhode Island Sponsored International Trade Events***

Rhode Island booth: Eligible companies may apply to participate in a Rhode Island booth at select trade events, funded directly with STEP monies. Participation through a competitive application process.

RI Trade Mission: Eligible participating companies may receive reimbursement of matchmaking fees:

- NTE: 75%-80% Reimbursement of Trade Mission negotiated fees
- ME: 50%-75% Reimbursement of Trade Mission negotiated fees
- Up to 75% reimbursement may be available for eligible marketing expenses in support of a Trade Mission or trade show participation.**

Virtual trade missions are covered, but reimbursement levels may be reduced so that companies share in the total cost, since there would be no travel expenses.

✓ **U.S. Department of Commerce Programs***

U.S. Commercial Service Programs: Gold Key, IPS, Single Company Promotion, etc. Includes virtual services.

- Up to 75% reimbursement for both NTE and ME companies
- Maximum Reimbursement: \$1000 *per project (multiple requests allowed.)*

✓ **International Trade Show (Foreign, Virtual or In-Person)***

Assistance with the cost of standard booth registration fees, booth furnishings, signage, electricity, etc.

Companies may include in their total request funding for marketing activities in support of their participation in the trade show, including design of marketing materials and social media marketing.** (Shipping of samples is allowed, with a total maximum reimbursement at 75% of \$4,000 per grant.)

- NTE: Up to 75% Reimbursement, Maximum \$7500 per event
- ME: Up to 75% Reimbursement, Maximum \$7500 per event
- ***Includes both Virtual and In-Person trade shows***

✓ **International Trade Shows (Domestic, Virtual or In-Person)***

See above, plus funding for an international trade event held in the USA is subject to the following:

- Company **must** provide an **international** strategy for exhibiting at a specific domestic trade show
- Company must provide justification that the event will help create **new export business opportunities**, to include estimated number of foreign buyers present, presence of a foreign buying delegation, specific strategy to attract foreign buyers, and previous international experience at the event.
- Company must agree to provide a list of matchmaking activities completed and international leads obtained at the event as part of the requirement for reimbursement.
 - NTE: Up to 75% Reimbursement, Maximum \$3750
 - ME: Up to 75% Reimbursement, Maximum \$2500

LIMIT: ONE DOMESTIC SHOW PER COMPANY PER GRANT PERIOD

✓ International Training Programs

Reimbursement for participation in workshops, seminars or similar activities that deliver a structured program to provide knowledge on export policies, regulations, and/or best practices.

- NTE: Reimbursement up to 75%, Maximum Reimbursement \$1500 per event
- ME: Reimbursement up to 75%, Maximum Reimbursement \$1500 per event
- Maximum Award per Company per grant period: \$2000

Reimbursement for third party training events limited to maximum two employees per company.

✓ Procurement of Consultancy Services

NEW UPDATES: This category includes the following activities:

- **Strategic Market Development** (*the use of outside consultants for market research, development of a market entry strategy, matchmaking and other consultancy services focused on a foreign market, not to duplicate services offered by the U.S. Commercial Service.*)
 - NTE: Reimbursement up to 75%, Maximum reimbursement \$3750 ***per project***
 - ME: Reimbursement up to 75%, Maximum reimbursement \$3750 ***per project***
 - **Design of International Marketing Media** (*to include all forms and channels of social media and digital ad placements, translation of marketing materials, press releases, graphic design, production of videos.*)
 - NTE & ME: Reimbursement up to 75%, **Maximum reimbursement \$6000 per grant period.**
 - **Websites and E-Commerce**
 - *Design and development of website with an international focus*
 - *Website translation, localization, Search Engine Optimization*
 - *Oversight, maintenance, and monitoring fees for Search Engine Optimization*
 - *Online market listing fees*
 - *E-Commerce Platform Fees, including hosting and/or maintenance fees**
 - *Expenses to set up websites to accept international payments*
 - ***NTE & ME: Reimbursement up to 75%, Maximum Reimbursement \$6000 per project.***
 - ***Maximum Reimbursement per calendar year: \$10,000***
- *Any maintenance or monitoring fees must be concluded by the end of the grant's performance period (not necessarily the calendar year.)*

RI STEP 8 – FY19

MAXIMUM AWARDS

- **Total Maximum Dollar Award per Company per Grant Period: \$20,000**
 - Total Maximum Number of Awards/Activities per Company: 10

TO RECEIVE STEP FUNDING:

- Step 1: Complete a **Request for Approval**.
 - Step 2: If approved, a **Letter of Approval** will be issued confirming the approved level of funding.
 - Step 3: Submit a **Request for Reimbursement**.
Once the project is completed, the company must submit a Request for Reimbursement *within 45 days of completion*, providing all required documentation. *(Note that failure to submit the appropriate request and documentation within 45 days without justification could jeopardize reimbursement of approved funds.)*
 - Step 4: Response required to the quarterly Data Collection form with updated information on actual export activity that occurred as a result of a STEP supported activity.
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For more information and to enroll in STEP contact:

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