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RHODE ISLAND

**STEP 9 Base**

# State Trade Expansion Program

**September 30, 2020 – September 29, 2022**

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## PROGRAM GUIDELINES

Updated October 2021

The John H. Chafee Center for International Business

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## RI STEP 9 Base

**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 partnership with the Rhode Island Commerce Corporation, has been awarded the STEP 9 Base grant and 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

**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
- 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.



Funded in part through a grant with the U.S. Small Business Administration.

**For more information contact:**

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## RI STEP 9 Base

# MATCHING-FUNDS AWARDS

**Eligible RI companies may apply for financial assistance for specific activities designed to support export growth.**

- Requests for financial assistance must be ***pre-approved prior to the start of the activity.***
- Awards are done 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.
- All proposed projects and activities must take place between September 30, 2020 and September 29, 2022 to be eligible for funding under STEP 9 Base.
- Funding is not guaranteed; a Selection Committee will review applications to determine suitability and funding level.

### **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:**

- **Eligible activity:** The project or activity must meet STEP criteria defined below.
- **Export Strategy:** The activity must support an export strategy, through entry into a new country, entry into a new market or market segment, or introduction of a new product line.
- **ROI:** The goal of the activity must be an increase in export sales dollars.
- **Execution:** Demonstration of ability to effectively execute the project.
- **U.S. Origin:** The product/service being exported must be of U.S. origin or have at least 51% U.S. content.
- **Cost-Sharing:** The company must share in the cost of the activity, as shown by the total project budget.
- **Cost-Estimates:** All requests require an estimated budget with quotes to explain the expenses.
- **Standard Costs:** Requests must reflect the *normal, standard costs* for the project or activity.
- **New Projects:** 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, who will make the final determination on approval and the appropriate level of funding. Written confirmation will be provided.

**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 9 Base

# ELIGIBLE ACTIVITIES

**THE FOLLOWING ACTIVITIES ARE ELIGIBLE FOR STEP REIMBURSEMENT OF UP TO 75% EXCEPT AS OTHERWISE NOTED.**

**Eligibility period: Activities must take place between September 30, 2020 and September 29, 2022**

**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 STEP-funded Rhode Island booth at select international trade events. Company selection is through a competitive application process.

**RI Trade Missions:** Eligible participating companies may receive reimbursement of matchmaking fees.

- **Reimbursement Rate:** NTE: 80%-100% Reimbursement of Trade Mission negotiated fees  
ME: 75% Reimbursement of Trade Mission negotiated fees

*Virtual Trade Missions are covered, but reimbursement levels may be reduced.*

## U.S. Department of Commerce Programs\*

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

- Maximum Reimbursement: \$1000 *per project (multiple requests allowed)*

## International Trade Shows\*

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, and shipping of samples to the event. Includes both virtual and in-person trade shows.

### **Foreign Trade Shows:**

- Maximum reimbursement: \$7500 per event

### **For Domestic Trade Shows:**

- Company **must** provide an *international* strategy for exhibiting at a specific domestic trade show.
- Company must justify how the event will create new export opportunities, to include estimated number of foreign buyers present, presence of a foreign buying delegation, specific strategy to attract foreign buyers, and/or previous international experience at the event.
- Company must provide a list of matchmaking activities completed and international leads obtained at the event as part of the requirement for reimbursement.
- **Limit: one domestic show per company per grant period.**
  - Maximum Reimbursement: \$5000 per event

**\*SHIPMENT OF SAMPLES CAPPED AT \$4000 PER COMPANY PER GRANT PERIOD**

**\*TRAVEL EXPENSES, INCLUDING AIRFARE, HOTELS AND MEALS ARE NOT ELIGIBLE FOR STEP REIMBURSEMENT.**

## Export 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.

- Maximum Reimbursement : \$1500 per event
- Scholarships available for attending World Trade Day 2021
- Limited to two employees per event, unless in-house training
- **Maximum Award per Company, per grant period: \$2000**

## Export Marketing Support

**Consultancy Services** - 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. Also can be used to cover the cost of ***compliance testing*** an existing product for entry into an export market (capped at \$6000 per award year.)

- **Maximum reimbursement: \$5000 *per project (multiple projects allowed)***

**Design of International Marketing Media** - To include design of digital and print advertising, all forms and channels of social media and digital ad placements, translation of marketing materials, press releases, graphic design, production of videos.

- **Total Maximum Reimbursement: \$8000 per grant cycle.\*<sup>1</sup>**

**Website Development** – To include:

- Design and development of internationally focused websites
- SEO, including oversight, maintenance, and monitoring fees for Search Engine Optimization \*
- Website translation and localization
- Online market listing fees
- E-Commerce Platform Fees, including hosting and/or maintenance fees\*
- Expenses to set up websites to accept international payments
  - Maximum Reimbursement: \$6000 per project.
  - **Maximum Reimbursement per grant cycle: \$10,000**

\*Any maintenance or monitoring fees must be concluded by the end of the grant's performance period (not necessarily the calendar year).

## MAXIMUM AWARDS

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

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<sup>1</sup> Maximum reimbursement for Design of Marketing Materials increased from \$6000 to \$8000 per grant cycle on March 10, 2021

## 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: Agree to respond to **Data Collection** requests, providing 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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