



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

## **STATE TRADE EXPANSION PROGRAM (STEP) FY '20**

### **Program Guidelines**

#### **Section I – Program Information**

##### **A. Program Purpose**

The program goal of STEP FY '20 is to increase the number of eligible small businesses (ESBCs) that export, increase the value of exports by ESBCs, and increase the number of ESBCs exploring significant new trade opportunities. Eligible activities include trade shows; trade missions; design of international marketing media; website translation/localization/SEO; U.S. Department of Commerce services; and export training.

**STEP applications are due prior to participation in project or activity.** STEP acts as a partial reimbursement. Reimbursements will be made towards eligible small businesses' registration/service fees and event participation expenses. The Department of Economic and Community Development's (DECD) application process vets applicants for eligibility and follows all U.S. SBA STEP procedures. The STEP FY '20 program year runs September 30, 2020 through September 29, 2021.

##### **B. Funding Levels**

STEP FY '20 reimbursement amounts for Medica 2020, Hannover Messe 2021, Aerospace & Defense Supplier Summit (ADSS) 2021, and Paris Air Show 2021 are designated on the respective activity's application page.

With export **General Assistance Funds (GAF FY '20)**, STEP eligible small businesses may apply to receive assistance of **75% of eligible expenses up to a maximum of \$7,500 per activity, for a maximum total of \$15,000 per eligible company per program year.** This means that small businesses can engage in and apply for more than one STEP activity in a program year.

**All applications are due no later than September 15, 2021.** Applications will be reviewed and funds will be distributed on a first-come, first-serve basis, pending Connecticut STEP FY '20 funding availability. For STEP consideration, applications must be submitted prior to activity participation.

If one's event ends on September 30, 2021 or later, your application will be placed in queue for the next round of STEP funds. We will accept your application for this event, but reserve the right to hold off on approvals until appropriate federal fiscal year timing and pending availability of federal funds.

## **Section II – Qualifications**

### **A. Company Qualifications**

The STEP FY '20 funds are available to Connecticut companies that:

1. Operate a registered business in Connecticut to manufacture, assemble and/or distribute a product, or provide an exportable service
2. Meet the criteria established in Section 503 of the Trade Facilitation and Trade Enforcement Act of 2015 that defines the term 'eligible small business concern,' as a business concern that:
  - a. Is organized or incorporated in the United States;
  - b. Is operating in the United States;
  - c. Meets:
    - i. The applicable industry-based small business size standard established under section 3 of the Small Business Act; or
    - ii. The alternate size standard applicable to the program under section 7(a) of the Small Business Act and the loan programs under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.);The U.S. Small Business Administration (SBA) size standards are found at 13 C.F.R. Part 121. Use the following sba.gov link for information on size standards for your business (<https://www.sba.gov/federal-contracting/contracting-guide/size-standards#section-header-0>);
  - d. Has been in business for not less than 1 year, as of the date on which assistance using a grant under this subsection commences; and
  - e. Has access to sufficient resources to bear the costs associated with trade, including the costs of packing, shipping, freight forwarding, and customs brokers
3. Must seek to export goods or services of U.S. origin or have at least 51% U.S. Content
4. Must not be presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency
5. Submit a completed application form and complete all other required documents with handwritten signatures, where applicable, prior to their proposed export activity, and **no later than September 15, 2021**
6. Execute their proposed STEP FY '20 export activity **by September 29, 2021**
7. Submit all reimbursement documentation to DECD within two (2) weeks of a completed activity and **no later than October 13, 2021**
8. Agree to provide DECD with export sales resulting from the STEP-funded activity via post-activity reports/surveys and updates

### **B. Program Thresholds and Category Spending Caps:**

1. DECD will accept applications for the minimum qualified amount of \$500 or greater.
2. Companies may apply for reimbursement towards multiple activities within program budgetary limits. However, each application should contain one quantifiable activity. Applicants requesting assistance at multiple trade shows or trade missions should submit materials separately.

3. STEP financial assistance for domestic export training/conference/seminar opportunities shall **not** exceed \$500 per attendee for up to 2 company employees (\$1,000 max) per training activity.
4. Fees for shipping sample products are capped at **\$4,000**.
5. Cost of compliance testing an existing product for entry into an export market is capped at **\$6,000**.
6. Export research tool subscription used to assist STEP clients with market research is capped at **\$2,000**.
7. Website translation into foreign language, search engine optimization, localization services is capped at **\$7,500 per activity, maximum two activity cap of \$10,000, not \$15,000**.
8. Design of marketing media is capped at **\$6,000**.
9. STEP General Assistance Funds (GAF) shall not exceed **75% of eligible expenses up to a maximum of \$7,500 per activity, for a maximum total of \$15,000 per eligible company per program year**. All previous STEP FY '20 requests for GAF assistance shall be considered in calculating eligible funding limits.
10. Participation in domestic trade show exhibits are allowed only if the applicant submits a demonstrated international strategy for exhibiting at a specific domestic trade show for approval
11. Companies who use STEP funds to participate in domestic trade shows must provide a list of completed matchmaking activities at the show, if any, and international leads contacted during the domestic trade show
12. To submit multiple applications, please see Section III, "Filing Procedures"

### C. Qualifying Activities:

Qualifying activities include:

- Foreign Trade Mission Participation\*
- Export Trade Show Exhibit Participation\*
- US DOC Commercial Services
- Design of Marketing Media (see spending cap note above)
- Payment of Website Fees (see spending cap note above)
- Export Training Workshops (see spending cap note above)

\* Registration/Event expenses for an individual company booth towards an event in which Connecticut sponsors a shared booth will not be accepted (i.e., Paris Air Show 2021).

### D. Eligible Expenses

Eligible expenses associated with the activities listed above are as follows:

- Trade Mission / Trade Show costs including but not limited to: registration fee, booth fee, furniture, interpreter fees, and shipping (no baggage shipping costs or printing, including costs associated with printing banners)
- USDOC Commercial Service Fees
- International Material/Collateral Translation
- Website Translation
- Export Training Registration Fees
- B2B Matchmaking Registration Fees
- Compliance Testing

## E. Ineligible Expenses

Expenses ineligible for reimbursement include, but are not limited to:

- Airfare, Ground Transportation, Lodging, etc.; NO travel costs
- Meals, Beverages, Gratuity
- Compensation, wage, or salary of any employee
- Capital Goods, Product Samples, Supplies
- Product giveaways/Promotional Items
- Phone or Internet Usage
- Website Development
- Alcoholic Beverages
- Passport or Visa fees
- Immunization
- Expenses related to entertainment of current or prospective clients or government officials
- New product development or alteration of existing products
- Printing costs, including costs associated with printing banners
- Association or membership dues
- Sponsorships

## Section III – Filing Procedures

Login to the STEP FY '20 [Application Portal](#). Create an account and follow the directions to submit your application. All applications must be submitted **no later than September 15, 2021**.

You will be asked to complete the following tasks:

- Complete the Connecticut STEP FY '20 Activity Application Form (*in Application Portal*)
- Review and Sign the SBA "Eligible Small Business Concern" [Self-Certification Form](#)
- Refer to your North American Industry Classification System ([NAICS Code](#)) to determine your SBA Size Standard
- Review and Sign the [Federal Debarment Form](#)
- Complete and Sign the [State of Connecticut Agency Vendor Form](#)
- Complete and Sign the [W-9 Form](#)  
(*Both forms should have a matching Social Security Number or Federal Employer Identification Number*)
- Complete and Sign a [Strategic Export Plan](#) on company letterhead (*not required for Export Training Opportunities*)

### **\*\*Note Regarding Multiple Applications:**

While major qualifying activities from Section II, Part C may entail multiple qualifying expenses from Section II, Part D, one quantifiable activity should be submitted with each application. Example:

- One application requesting assistance with Trade Show participation that includes a translator and a B2B event at the corresponding Trade Show **is acceptable**.
- One application requesting assistance with participation in multiple Trade Shows or Trade Missions **is unacceptable**.

## **Section IV – Program Reimbursement**

- Reimbursements will be based on completion of approved activities **by September 29, 2021**, and the submission of all reimbursement request documentation to DECD within two (2) weeks of a completed activity and **no later than October 13, 2021**. No partial reimbursement requests will be accepted.
- Once you receive an email notification that your application has been approved, complete your export event/activity as planned in accordance with your project budget.
- When your event/activity has been completed, login to your STEP FY '20 [Application Portal](#) account, where you will be asked to submit the following:
  - Post-Activity Report/Survey;
  - Receipts documenting payment of all registration and/or service fees and other costs associated with your approved STEP FY '20 fund activity (i.e., bank statements, check stubs, or an invoice with a zero balance) and;
  - STEP Grant Activity Invoice to request payment of your reimbursement from DECD;
- Requests will be reviewed and processed as they are received on a first-come, first-serve basis. Processing time for the State of Connecticut payment system can take anywhere from 2-4 weeks. STEP FY '20 participants should incorporate this lead-time into their internal budgeting processes, as DECD will be unable to expedite individual company payments.

## **Section V – Contact**

For more information on the Connecticut STEP program, please contact:

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