

# Global NY State Trade Expansion Program (STEP)

## STEP 10 – Guidelines (Version 2)

### **Program Overview**

Empire State Development (ESD) is working in partnership with the U.S. Small Business Administration (SBA) to increase the number of small businesses that begin to export; increase the value of exports for small businesses that currently export; and increase the number of small businesses exploring significant new trade opportunities.

### **Funding Period and Level**

The funding period will begin on September 30, 2022 and conclude on September 29, 2023. Each company may receive a maximum combined award total of up to \$10,000 per funding period. STEP awards are issued on a first-come, first-served basis until the program funds are expended. Effective October 2018, companies will not be permitted to attend the same trade show, virtually or physically, more than four times through the life of the STEP program.

### **Eligibility Qualifications**

New York companies must meet the following eligibility criteria to qualify for STEP funds:

- A for-profit business headquartered and registered to do business in New York State with the [New York State Department of State](#).
- Manufacture, assemble and/or distribute a product with rights to export, or provide an exportable service.
- In business for at least one year ending on the date on which assistance is provided under the STEP program.
- Qualify as an “eligible small business concern” and meet [SBA size standards](#).
- Have access to sufficient resources to bear the costs associated with trade.
- Have a product or service for export that contains at least 51% United States content (see calculation table on following page).
- Not presently debarred, suspended, proposed for disbarment, declared ineligible and/or voluntarily excluded from participation by any federal department or agency.
- In good standing with all New York State government agencies.
- Site visits and/or telephone interviews may be conducted to further determine a company’s eligibility.

### **Ineligible Industries (include but are not limited to)**

Businesses acting as intermediaries for other companies, law firms, non-profit organizations, educational institutions, companies involved with cannabis, retail and companies that are recruiting foreign investment are ineligible.

### **How to Determine United States Content for Manufactured Goods**

U.S. content or manufactured goods = (factory price of a good) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Factory Price of Good		\$100
- aggregate value contributed by non-U.S. or foreign sources	Manufacturing costs (payment to foreign contract manufacturer)	-\$25
	Value of all foreign-supplied parts/inputs/materials	-\$20
	Foreign administrative costs	-\$2
	Foreign transportation and logistics costs (up to a factory door)	-\$2
	Licenses, royalties, and fees paid for foreign intellectual property	-\$0
= U.S. Content		\$51

**How to Determine United States Content for Services**

U.S. content for services = (contract value of the service, whether delivered in the U.S. or overseas) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Contract value of the service		\$100
- aggregate value contributed by non-U.S. or foreign sources	Staffing costs of foreign subcontractor	-\$25
	Value of foreign inputs/materials used to execute contract	-\$15
	Foreign based legal and administrative costs	-\$9
= U.S. Content		\$51

**Allowable Uses of Program Funds and Activity Selection Guidelines**

**1. Subscription to services provided by the Department of Commerce**

A company may elect to utilize the services available from the U.S. Commercial Service, the trade promotion arm of the U.S. Department of Commerce’s International Trade Administration, to assist a company with entering or expanding their markets, such as, choosing the best market for their products or services; evaluating prospective foreign business partners; increasing market potential; and gold key matchmaking services.

**2. Trade show exhibition (International and qualified domestic/virtual trade shows)**

A trade show is an exhibition to showcase and demonstrate a company’s products and services. This includes foreign trade shows appropriate for export development, and domestic/virtual trade shows, which have a significant international audience participation.

**3. Participation in export training workshops**

Training workshops and education courses must have a direct benefit to, and assist, a company with gaining credible knowledge of export policies, regulations, and/or best practices. Ideally, training should be part of a “pipeline” approach that leads to assisting a first time or ‘novice’ exporter to become an ‘experienced’ exporter. Export certification or training workshops offered by SBA resource partners, such as, Small Business Development Centers (SBDCs), Women Business Centers (WBCs) and SCORE are encouraged. Another example is ExporTech: a structured program jointly offered by the NIST Manufacturing Extension Partnership and the U.S. Commercial Service that assist companies going to market and with executing strategic export plans.

#### **4. Qualified foreign market sales trips (Financial Assistance Award for Travel)**

A qualified foreign market sales trip will allow a company representative to participate in organized trade missions and/or events that will enable them to explore or expand international business opportunities. A trip must be organized by a professional trade organization, the U.S. Commercial Service, the U.S. Department of State, Foreign Embassy, Consulate or through ESD's foreign offices after use of the Export Marketing Assistance Service (EMAS Plus). A detailed agenda must be provided.

#### **5. Website Content/Foreign Language Translation**

This activity pertains to translation of websites into foreign languages, localization for foreign markets, and search engine optimization.

#### **6. Development of International Marketing Campaign(s)**

Marketing media is the ability to promote a company's product or service to strengthen their export sales potential, ability to reach target audiences, and/or expand export market opportunities using any of the following: Brochures, Social media platforms; Websites; Billboards; Newspapers; Branding and advertising; Posters; Advertisements in international magazines.

#### **7. Consultancy Services**

Procurement of consultancy services include design and creation of an export marketing plan, creation of a market entry strategy based on a consultant's knowledge or experience in a particular market, creation of an export compliance manual, conducting an export compliance audit, trademark protection or intellectual property protection. Consultancy services must be carried out by a third-party organization.

#### **8. Compliance Testing**

Cost of compliance testing an existing product for entry into an export market. Compliance testing must be carried out by a third-party organization.

#### **9. Export Insurance Premium Reimbursement**

Reimbursement for premium payments made to EXIM bank related to exporting

#### **Evaluation Process**

ESD staff will review all applications and make a determination regarding the applicant's eligibility within 30 business days of receipt of the application. Incomplete applications will not be reviewed. Companies new to this program are encouraged to speak with an International Trade Manager prior to submitting an application (see page 6 for contact information). All questions must be completed, and signatures must be provided where applicable.

The grant is awarded in the form of a reimbursement. Exceptions may be made for certain programmed trade missions or trade shows that necessitate an advance payment by ESD to the event organizer, as a direct benefit to the applicant.

Reimbursement for expenses is limited to one company representative and is based on 70% of the total eligible costs, up to the applicable cap of the trade activity as specified on the application, whichever is less. This program does not allow for reimbursement of

retroactive trade activities that have already been completed. If changes occur to a company's planned arrangements, failure to provide adequate notice to ESD officials of the changes may void any awarded funds.

**Eligible Costs (will vary based on activity):**

- Airfare consistent with [Fly America Act guidelines](#). Travelers may only be reimbursed for the cost of one full-fare, economy (coach) class ticket for one company representative
- Lodging for one company representative two days before and one day after an event, set at per diem rates (click on the following links for [domestic rates](#) and [international rates](#))
- Meals and Incidental Expenses set at per diem rates (click on the following links for [domestic rates](#) and [international rates](#))
- Registration fees for one company representative
- Exhibit space fees
- Trade mission fees for one company representative
- Fees for shipping sample products
- US Department of Commerce fees
- Baggage fees for one company representative
- Development of marketing media
- Compliance testing
- Foreign language translation
- Website fees

**Ineligible Costs (include but are not limited to):**

- Airfare that does not conform with the [Fly America Act](#)
- Airfare that is not coach/economy
- Immunizations
- Visa and passport fees
- New product development or alteration of existing products
- Cellphones and cellphone charges
- Television and radio production
- Efforts to create or augment marketing and advertising campaigns to draw international visitors to New York State
- Printing fees (brochures, handouts, business cards, etc.)
- Capital or equipment purchases
- Ground transportation (taxi, bus, train, personal car, rental car, parking fees, etc.)
- Service fees (currency exchange fees, credit card fees, etc.)
- Promotional items or giveaways
- Invoices issued from the ESD or Department of Economic Development
- Activities that are being funded or subsidized by other organizations
- Association or membership fees
- Salary or payroll
- Legal Fees
- Cannabis reference (marketing, sales, usage, etc.)
- Covid-19 fees (testing, changes to hotel/flight, quarantine periods, etc.)
- Miscellaneous items (picture frames from Amazon, chairs from Home Depot, tablecloths from Michaels, etc.)

- Invoices paid in cash or with rewards points

### **Export Readiness**

Companies should assess their export readiness before entering their first markets, expanding into additional markets, or taking on more challenging, high-growth export markets. The applicant should review the [Exporter Assessments](#) information provided by the [International Trade Administration](#), U.S. Department of Commerce. The tools and resources provided will help applicants assess their export readiness, as well as identify areas where they may strengthen and improve their business export activities. Additional export education can be found at [Learn How To Export](#) and SBA's [Export Business Planner](#).

### **Reimbursement and Required Reporting**

Upon completion of an activity, a company will be required to submit all eligible expense receipts and proof of payment electronically, combined into one PDF file. A proof of payment can be a bank statement, credit card statement or wire transfer confirmation. Invoices paid in cash or with rewards points are not eligible for reimbursement. Do not submit expense receipts until the activity is fully completed, we do not provide partial reimbursements. After review of the expenses, reimbursement will typically take 6 weeks to process. A company must also complete a Project Impact Report for data collection purposes. A follow-up Project Impact Report is also required to be submitted to ensure Global NY is aware of each company's latest statistics.

### Global NY Directory

If you have additional questions, please contact the Global NY representative in your region below. General questions can also be directed to [globalny@esd.ny.gov](mailto:globalny@esd.ny.gov) or 212-803-2300.

<b>Region</b>	<b>Counties</b>	<b>International Trade Manager</b>
Capital District	Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren and Washington	Kathryn Bamberger <a href="mailto:Kathryn.Bamberger@esd.ny.gov">Kathryn.Bamberger@esd.ny.gov</a> 518-270-1133
Central New York	Cayuga, Cortland, Madison, Onondaga and Oswego	Carolyn Baker-Scott <a href="mailto:Carolyn.Baker-Scott@esd.ny.gov">Carolyn.Baker-Scott@esd.ny.gov</a> 212-803-2300
Finger Lakes	Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming and Yates	Carolyn Baker-Scott <a href="mailto:Carolyn.Baker-Scott@esd.ny.gov">Carolyn.Baker-Scott@esd.ny.gov</a> 585-399-7060
Long Island	Nassau and Suffolk	Loretta Beine <a href="mailto:Loretta.Beine@esd.ny.gov">Loretta.Beine@esd.ny.gov</a> 631-435-0717
Mid-Hudson	Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester	Neel Nayak <a href="mailto:Neel.Nayak@esd.ny.gov">Neel.Nayak@esd.ny.gov</a> 845-567-4882
Mohawk Valley	Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie	Kathryn Bamberger <a href="mailto:Kathryn.Bamberger@esd.ny.gov">Kathryn.Bamberger@esd.ny.gov</a> 518-270-1133
New York City	Bronx, Kings, New York, Queens and Richmond	Brian Teubner <a href="mailto:Brian.Teubner@esd.ny.gov">Brian.Teubner@esd.ny.gov</a> 212-803-2346
North Country	Clinton, Essex, Hamilton, Jefferson, Lewis, Franklin and Saint Lawrence	Kathryn Bamberger <a href="mailto:Kathryn.Bamberger@esd.ny.gov">Kathryn.Bamberger@esd.ny.gov</a> 518-270-1133
Southern Tier	Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga and Tompkins	Neel Nayak <a href="mailto:Neel.Nayak@esd.ny.gov">Neel.Nayak@esd.ny.gov</a> 845-567-4882
Western NY	Allegany, Cattaraugus, Chautauqua, Erie and Niagara	Richard Ball <a href="mailto:Richard.Ball@esd.ny.gov">Richard.Ball@esd.ny.gov</a> 716-846-8248  Mo Sumbundu <a href="mailto:Mo.Sumbundu@esd.ny.gov">Mo.Sumbundu@esd.ny.gov</a> 716-846-8347