

# Global NY State Trade Expansion Program (STEP)

## STEP 11 – Guidelines (Version 1)

### **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, 2023 and conclude on December 31, 2024. Each company may receive a maximum combined award total of up to \$10,000 per funding period and is based on 60% of the total eligible costs, up to the applicable cap amount of the trade activity as specified on the application, whichever is less.

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 or provide an exportable service. If you are not the manufacturer of the product you must have the rights to export as an authorized distributor.
- The product(s) or service(s) must be export ready and already selling in the U.S. market and/or internationally.
- In business for at least one year ending on the date on which assistance is provided
- 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

The following links may also be helpful in determining your U.S. content: [EXIM Bank Manufactured Goods](#), [EXIM Bank Services](#) and [EXIM Bank Overview](#).

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

Attach a scope of work and quotes for each activity selected with your application submittal.

**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 (at least 25% international attendees). If international attendee rates are not available, speak with your local Global NY representative. A company will not be permitted to attend

the same trade show, virtually or physically, more than four times through the life of the STEP program. *If you are attending to walk the show, or speak at the show without an exhibit space, this activity is not eligible for STEP grant fund reimbursement.*

### **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.

### **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 or sales 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. This activity must be carried out by a third-party organization. You will be required to provide a scope of work and proof of the work completed (screenshots, before and after photos, etc.)

### **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. This activity must be carried out by a third-party organization. You will be required to provide a scope of work and proof of the work completed (screenshots, before and after photos, etc.)

### **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. This activity must be carried out by a third-party organization. You will be required to provide proof of the work completed by the consultant.

### **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. You will be required to provide proof of the testing completed.

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

The [EXIM Bank](#) is the official export credit agency of the United States. Their mission is to

support American job creation, prosperity and security through exporting. The selection will provide 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 last page for contact information). All questions must be completed, and signatures must be provided where applicable.

### **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 Empire State Development 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.)
- Purchase of miscellaneous items (easels for exhibit, picture frames, chairs, tablecloths, etc.)
- Invoices paid in cash or with rewards points

If you have questions about whether an expense is eligible, please contact your Global NY representative listed in the directory below before incurring any expenses.

### **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**

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 60% 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.

### **Project Completion**

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. An expense receipt should be on a formal letterhead, be issued to your company (name and address), outline a scope of work, include a date, include an invoice number, include total cost, etc. A proof of payment can be a bank statement, credit card statement or wire transfer confirmation, with charges highlighted. 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 may also receive a 1099



tax form in connection to this grant.

### **Required Reporting**

A company must complete a Project Impact Report (PIR) for data collection purposes which will also allow ESD to track the return on investment (ROI). A PIR intends to capture number of jobs created, number of jobs retained, actual export sales, anticipated sales and general feedback as a direct result of this STEP grant. Before an approved activity is completed, ensure you are aware of all the data you are required to submit and how your company will determine success (sales, jobs, signed contracts, distribution agreements, etc.). A follow-up Project Impact Report is also required to be submitted within 6-18 months, 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	Mo Sumbundu <a href="mailto:Mo.Sumbundu@esd.ny.gov">Mo.Sumbundu@esd.ny.gov</a> 716-846-8347