

Global NY State Trade Expansion Program (STEP) STEP 7 – Guidelines (Version 6)

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.

Allowable Uses of Program Funds

1. Participation in programed foreign trade missions
2. Subscription to services provided by the Department of Commerce
3. Trade show exhibition (international and qualified domestic trade shows)
4. Participation in export training workshops
5. Qualified foreign market sales trips
6. Website Content/Foreign Language Translation
7. Development of International Marketing Campaign(s)
8. Virtual Services
9. Compliance Testing

*Speaking engagements at a conference is an ineligible activity

Eligibility Qualifications

- Business that operates in New York State to manufacture, assemble and/or distribute a product, or provide an exportable service.
- In business for at least one year.
- 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**.
- Not presently debarred, suspended, proposed for disbarment, declared ineligible and/or voluntarily excluded from participation by any federal department or agency.
- Site visits and/or telephone interviews may be conducted to further determine a company’s eligibility.

Ineligible Companies

Businesses acting as intermediaries for other companies, law firms, non-profit organizations, educational institutions, 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)).

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| 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)).

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| 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 |

Activity Selection Guidelines

The three-year funding period for the Global NY STEP Grant Program will begin on September 30, 2018 and conclude on September 29, 2021. **Each company may apply for a maximum of three unique STEP awards for this funding period, and the combined award total will be capped at \$13,000 per client.** 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, virtual or physical, more than four times through the life of the STEP program.

Evaluation Process & Funding

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. **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. 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 a full-fare, economy (coach) class ticket for one company representative
- Lodging for one company representative, 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](#))
- Ground transportation fees and parking fees
- Baggage fees for one company representative
- Registration fees for one company representative (trade exhibits and training events)
- Trade mission fees
- Exhibit space fees
- Fees for shipping sample products
- Website translation into foreign language, search engine optimization, and localization services
- Design of marketing media including, brochures, websites, newspapers, posters, social media platform, billboards, banding and advertising in international magazines.

Ineligible Costs:

- 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
- Capital or equipment purchases
- Association fees

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 Assessment](#) information provided by [export.gov](#). 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 SBA's [Export business Planner](#) and [USA.gov](#).

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. After review of a company's 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.

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 or 212- 803-2300.

| Region | Counties | International Trade Manager |
|------------------|--|---|
| Capital District | Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren and Washington | Kathryn Bamberger Kathryn.Bamberger@esd.ny.gov 518-270-1133 |
| Central New York | Cayuga, Cortland, Madison, Onondaga and Oswego | Omar Sanders Omar.Sanders@esd.ny.gov 607-721-8610 |
| Finger Lakes | Genesee, Livingston, Monroe, Ontario, Orleans, Seneca, Wayne, Wyoming and Yates | Carolyn Baker-Scott Carolyn.Baker-Scott@esd.ny.gov 585-399-7060 |
| Long Island | Nassau and Suffolk | Brian Teubner Brian.Teubner@esd.ny.gov 212-803-2346 |
| Mid-Hudson | Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester | Kathryn Bamberger Kathryn.Bamberger@esd.ny.gov 518-270-1133 |
| Mohawk Valley | Fulton, Herkimer, Montgomery, Oneida, Otsego and Schoharie | Kathryn Bamberger Kathryn.Bamberger@esd.ny.gov 518-270-1133 |
| New York City | Bronx, Kings, New York, Queens and Richmond | Lennox Ruiz Lennox.Ruiz@esd.ny.gov 212-803-2344 |
| North Country | Clinton, Essex, Hamilton, Jefferson, Lewis, Franklin and Saint Lawrence | Kathryn Bamberger Kathryn.Bamberger@esd.ny.gov 518-270-1133 |
| Southern Tier | Broome, Chemung, Chenango, Delaware, Schuyler, Steuben, Tioga and Tompkins | Omar Sanders Omar.Sanders@esd.ny.gov 607-721-8610 |
| Western NY | Allegany, Cattaraugus, Chautauqua, Erie and Niagara | Richard Ball Richard.Ball@esd.ny.gov 716-846-8248 |

Glossary

1. Export Ready – A company that has the commitment and ability to export products to foreign markets.
2. Pre-Export – A company that may be less than two years old and/or has not established strong domestic sales. They will be offered consultation and training.
3. New to Export (NTE) – A company that has established strong domestic sales and has not yet become a proactive exporter. They may be new to exporting or have exported reactively.
4. Market Expansion (ME) – A company that has strategically exported and is ready to expand into new foreign markets.

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