RHODE ISLAND

STEP

State Trade Expansion Program

PROGRAM GUIDELINES

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SBA U.S. Small Business Administration

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RHODE ISLAND COMMERCE

RHODE ISLAND STEP PROGRAM

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 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

- 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 SBA Self-Representation 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 customs 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 or services that are of U.S. origin or have at least 51% U.S. content

Eligible small business concerns (ESBCs) will be classified as either:

NTE: New to Export → ESBCs with:

- No export experience at all;
- Only "accidental" or "novice" exporting experience; or
- No export experience within 24 months.

ME: Market Expansion → ESBCs who currently export to one or more markets and are seeking to:

- Expand into new country market(s); or
- Expand into a new region or new segment or new product line within an existing market.

RHODE ISLAND STEP PROGRAM

Financial Assistance 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 be completed by September 29, 2024 to be eligible for an award under the current STEP grant.

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 program (see previous page).
- Submit STEP enrollment forms (SBA Self-Representation Form and STEP Business Profile).
- Once enrolled, complete a STEP Request for Approval for each eligible activity.

Requirements for consideration for an award:

- **Eligible activity**: The project or activity must meet STEP criteria defined below.
- **Export strategy**: The activity must support an export strategy for entry into a new country, region, or market/market segment, or for the introduction of a new product line.
- **Return on investment**: The goal of the activity must be to increase export sales dollars.
- **Execution**: The company must demonstrate their ability to effectively execute the project.
- **U.S. origin**: The product or 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 must include an estimated budget with quotes to explain the expenses.
- **Standard costs**: All 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 return on investment expectations. If approved, awards for repeat projects or activities may be funded 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 program 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 program.

RHODE ISLAND STEP PROGRAM

ELIGIBLE ACTIVITIES

The following activities are eligible for STEP reimbursement of up to 75% except as otherwise noted.

Activities must be completed by September 29, 2024.

NTE: New to Export ME: Market Expansion

Rhode Island Sponsored International Trade Events*

(virtual and in-person)

RI Trade Show booths: Eligible companies may apply to participate in a STEP-funded Rhode Island booth at select international trade shows. Company selection is through a competitive application process.

RI Trade Missions: Eligible companies may apply for reimbursement of negotiated matchmaking fees as follows:

NTE: up to 90% of negotiated fees

ME: up to 75% of negotiated fees

U.S. Department of Commerce Programs*

(virtual or in-person)

Reimbursement for U.S. Commercial Service subscription services (e.g., Gold Key Service, International Partner Search, Single Company Promotion, etc.). A complete list of services and fees can be found here.

- **Maximum reimbursement: $5,000 per project (multiple projects allowed)**

International Trade Shows*

(virtual and in-person)

Assistance with the cost of standard booth registration fees, booth furnishings, signage, electricity, etc. Companies may include in their total request, funding for activities in support of their participation in the trade show, including design of marketing materials, social media marketing, and shipping of samples to the show.

Foreign Trade Shows:

- **Maximum reimbursement: $10,000 per show (multiple shows allowed)**

Domestic Trade Shows:

- Company **must** provide a strategy to attract ***international*** buyers at the domestic trade show.
- To justify how the event will create new export opportunities, the company must include the estimated number of foreign buyers expected at the show, evidence that a foreign buying delegation(s) will be present, their strategy to attract foreign buyers, and/or results from previous attendance at the show which demonstrates their success at attracting foreign buyers.
- As part of the Request for Reimbursement after the show, the company must provide a list of matchmaking activities completed and international leads obtained at the show.
    - **Maximum reimbursement: $5,000 per show (multiple shows allowed)**

*** Travel expenses, including airfare, hotel, and meals are NOT eligible for STEP reimbursement.**

RHODE ISLAND STEP PROGRAM

ELIGIBLE ACTIVITIES

The following activities are eligible for STEP reimbursement of up to 75% except as otherwise noted.

Activities must be completed by September 29, 2024.

NTE: New to Export ME: Market Expansion

Export Training Programs

(virtual or in-person)

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: $5,000 per grant cycle**
- Limited to two employees per event, unless in-house training

Export Marketing Support

Consultancy Services (not to duplicate services offered by the U.S. Commercial Service):

The use of outside consultants for market research, development of a market entry strategy, matchmaking, and other consultancy services focused on a foreign market (e.g., compliance testing an existing product for entry into an export market.)

- **Maximum reimbursement: $6,000 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, and production of videos.

- **Maximum reimbursement: $8,000 per project (multiple projects allowed)**

Website Development:

- Design and development of internationally focused websites
- Search Engine Optimization (SEO) including oversight, maintenance, and monitoring fees for SEO^
- 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: $6,000 per project (multiple projects allowed)**

^Any maintenance or monitoring fees must be concluded by the end of the grant's performance period.

Export Credit Insurance Policy Fees

Payment for services provided by a federal agency, such as Export-Import Bank of the United States (EXIM), for export credit insurance policy fees.

- **Maximum reimbursement: $5,000 per grant cycle**

MAXIMUM PER GRANT CYCLE

- Total maximum dollar award per company, per grant cycle: $30,000
- Total maximum number of awards/activities per company, per grant cycle: 15

RHODE ISLAND STEP PROGRAM

To receive STEP funding:

1) Complete enrollment forms:
    a. **SBA Self-Representation form**
    b. **RI STEP Business Profile**

    You only need to submit the enrollment forms once per grant cycle.
2) Submit a **Request for Approval**
3) If approved, a **Letter of Approval** will be issued confirming the approved level of funding.
4) Submit a **Request for Reimbursement** within 45 days of project completion and include all required documentation. Failure to submit within 45 days, without justification, could jeopardize reimbursement of approved funds.
5) Complete **Data Collection Instrument** form when requested to provide updated information on actual export sales that occurred as a result of a STEP-supported activity.

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