

**U.S. Small Business Administration  
Office of International Trade**

**STATE TRADE EXPANSION PROGRAM (STEP)**

**Notice of Funding Opportunity No.  
OIT-STEP-2020-02  
FY2020**

The purpose of this Notice of Funding Opportunity is to invite proposals for funding from eligible state entities interested in and capable of providing assistance and guidance to eligible small business concerns to increase the number of such firms that export and the dollar value of small business exports.

**Opening Date: Feb 6, 2020  
Closing Date: Jul 6, 2020**

Proposals responding to this Notice of Funding Opportunity must be posted to Grants.gov **by 11:59 p.m. Eastern Standard Time, Jul 6, 2020**. No other method of submission will be permitted. Proposals submitted after the stipulated deadline will be rejected without being evaluated.

## Table of Contents

### Section Subject

|     |                                            |    |
|-----|--------------------------------------------|----|
| 1.0 | Notice of Funding Opportunity Information  | 4  |
| 1.1 | Program Overview                           | 4  |
| 1.2 | Introduction                               | 5  |
| 1.3 | Background                                 | 5  |
| 1.4 | Purpose and Allowable Statutory Activities | 5  |
| 1.5 | Collaboration and Leveraging of Resources  | 8  |
| 1.6 | SBA Roles and Responsibilities             | 8  |
| 1.7 | Changes or Cancellation                    | 9  |
| 2.0 | Award Information                          | 9  |
| 2.1 | Estimated Funding                          | 9  |
| 2.2 | Expected Number of Awards                  | 9  |
| 2.3 | Period of Performance/Budget Periods       | 9  |
| 2.4 | Reprogramming of Unexpended Funds          | 9  |
| 2.5 | Funding Information                        | 10 |
| 2.6 | Funding Instrument                         | 10 |
| 2.7 | Matching Requirement                       | 10 |
| 2.8 | Program Income                             | 10 |
| 3.0 | Eligibility Information                    | 11 |
| 3.1 | Eligible Non-Federal Entity                | 11 |
| 3.2 | Ineligible Non-Federal Entity              | 11 |
| 4.0 | Application and Submission Information     | 12 |
| 4.1 | General                                    | 12 |
| 4.2 | Application Instructions                   | 12 |
| 4.3 | Submission Instructions                    | 19 |
| 4.4 | Required Proposal Submission Date          | 23 |
| 5.0 | Application Review Information             | 23 |
| 5.1 | General                                    | 23 |
| 5.2 | Evaluation Criteria                        | 23 |
| 5.3 | Merit-based Review and Selection Process   | 27 |
| 6.0 | Award Administration Information           | 27 |

|     |                                                 |    |
|-----|-------------------------------------------------|----|
| 6.1 | Award Notification                              | 27 |
| 6.2 | Administrative and National Policy Requirements | 28 |
| 6.3 | STEP Financial Requirements                     | 28 |
| 6.4 | Reporting Requirements                          | 30 |
| 7.0 | Agency Contacts                                 | 31 |
| 7.1 | State Trade Expansion Program Point of Contact  | 31 |
| 7.2 | Financial/Awards Management Point of Contact    | 31 |
| 7.3 | Grants.gov Technical Support                    | 31 |
| 8.0 | Other Information                               | 31 |
| 8.1 | Definitions                                     | 31 |
| 9.0 | Key Policies Applicable to this Announcement    | 34 |

**1.0. Notice of Funding Opportunity Information**

**1.1. Program Overview**

- |         |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.1.1.  | Federal Agency Name                   | U.S. Small Business Administration (SBA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1.1.2.  | Notice of Funding Opportunity Title   | State Trade Expansion Program (STEP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1.1.3.  | Announcement Type                     | Initial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 1.1.4.  | Notice of Funding Opportunity Number: | Notice of Funding Opportunity Announcement No.<br>OIT- STEP-2020-01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 1.1.5.  | CDFA Number                           | 59.061                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1.1.6.  | Closing Date for Submissions:         | Jul 6, 2020 11:59 PM Eastern Standard Time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 1.1.7.  | Authority:                            | 15 U.S.C. § 649(l)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.1.8.  | Duration of Authority:                | Permanent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.1.9.  | Funding Instrument:                   | Grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1.1.10. | Funding:                              | Funding is for a base period of 12 months, with one<br>option period of 12 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1.1.11. | Award Amount/Funding Range:           | <p>The projected amount of STEP funding in FY 2020 and FY 2021 may be \$19,000,000 or more each year subject to the availability of funds. Applicants can apply for awards ranging from \$50,000 (minimum) to \$1,350,000 (maximum) per year.</p> <p>Per the statutory authority above, the 10 States with the highest number of small business exporters shall receive no more than 40 percent of the total Federal fiscal year appropriation. Based upon the latest data available from the</p> <p>U.S. Department of Commerce, for purposes of this Notice of Funding Opportunity, these states are: California, Florida, Georgia, Illinois, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Texas.</p> |
| 1.1.12. | Project Duration:                     | Awards will be made for a base period of 12 months, with one option period of 12 months. The exercise of the option is at SBA's discretion and is subject to continuing program authority, the availability of funding, and satisfactory performance by the Non-Federal entity.                                                                                                                                                                                                                                                                                                                                                                                                                                    |

- 1.1.13. Project Starting Date: Within 30 calendar days of the start date of the Project Period.
- 1.1.14. Proposal Evaluation: An initial screening for eligibility (in accordance with Section 3.1) will be conducted by the program office. Proposals will be reviewed for sufficiency and quality as detailed in Sections 4 and 5. SBA may ask Applicant for clarification of technical proposal and cost aspects of proposals.
- 1.1.15. Agency Programmatic Point of Contact: James Parker, Director, State Trade Expansion Program, U.S. Small Business Administration, Office of International Trade
- Applicants may submit questions to STEP email inbox ([STEP@SBA.gov](mailto:STEP@SBA.gov)) during the open period (Feb 6, 2020 through Mar 5, 2020). SBA will post answers to the questions on <https://www.sba.gov/STEP> by about Mar 17, 2020. No additional questions will be answered after Mar 5, 2020.

## 1.2 *Introduction*

The Trade Facilitation and Trade Enforcement Act of 2015 (HR 644), signed into law on February 24, 2016, made the State Trade Expansion Program a permanent provision of the Small Business Act to make grants to States, and the equivalent thereof, to carry out projects that help develop exports by eligible small business concerns (ESBCs) (as defined in Section 8.1.5) . The objective of STEP is to increase (1) the number of U.S. small businesses that export, (2) the dollar value of exports, and (3) the number of U.S. small businesses exploring significant new trade opportunities (as defined in 8.1.15).

## 1.3 *Background*

Since its inception in 1953, SBA has served to aid, counsel, assist and protect the interests of small businesses. SBA offers a wealth of financial support, resources and services to small businesses through an array of loan, contract, and grant opportunities. The Agency also plays a critical role in business counseling and training to small businesses and nascent entrepreneurs. The primary purpose is to promote growth, expansion, innovation, increased productivity and management improvement.

The mission of SBA's Office of International Trade (OIT), which bears responsibility for administering the State Trade Expansion Program, is to build the capacity of current and future small business exporters to compete in the global marketplace through capital, counseling, and the advancement of commercial interests at home and abroad.

## 1.4 *Purpose and Allowable Statutory Activities*

The underlying premise of STEP is to supplement non-Federal entities' (as defined in Section 3.1) funds for export activities, not to substitute Federal funds to cover costs that Applicants would normally or otherwise cover. Per 2 C.F.R. Section 200.408, non-Federal entities' proposed use of Federal funds for STEP will be limited to the below statutory uses of funds that directly benefit ESBCs to become an exporter, increase their export sales, and/or increase new export opportunities.

### **Allowable Statutory Activities Guidance**

1. **Participation in foreign trade missions.** For the purposes of STEP, a foreign trade mission is defined as travel to a foreign country by ESBCs that will enable them to explore or expand international business opportunities. As a result of ESBCs participating in foreign trade missions with STEP funds, they are expected to yield tangible outcomes; such as, seeking out potential buyers, and increasing export sales volume. One staff member from the non-Federal entity may participate in the mission (unless reasonable justification can be made that two staff members are needed to participate in the trade mission) is expected to provide direct support to them in achieving these outcomes.
2. **Subscription to services provided by the U.S. Department of Commerce.** STEP grant recipients 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 ESBCs 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.
3. **Payment of website fees.** This activity pertains to translation of websites into foreign languages, localization for foreign markets, and search engine optimization for ESBCs.
4. **Design of Marketing Media.** STEP defines marketing media as the ability to promote an eligible small business concern'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; Other media approved in advance by STEP as consistent with its definition of marketing media.
5. **Trade show exhibition.** A trade show is defined by STEP as an exhibition for ESBCs to showcase and demonstrate their products and services. This includes foreign trade shows appropriate for ESBC export development, and domestic trade shows, according to the domestic trade show policy (as specified in Section 8.2.3).
6. **Participation in export training workshops.** Training workshops and education courses that are offered to recipients of STEP funds must have a direct benefit to, and assist, ESBCs 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. Outcomes, such as, export plans, strategies, and best practices handouts should be deliverables.

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.

7. **Reverse trade mission.** Reverse trade missions are defined as bringing foreign buyers to the United States to meet with potential suppliers of U.S. manufactured goods and services. Proposals for this activity are limited to costs borne directly by ESBCs to participate in a reverse trade mission and paid for by a STEP grantee which directly benefit ESBCs (e.g., meeting space, audio/visual

support). Payment of any costs associated with travel (transportation, lodging, etc.) of foreign buyers is not allowed.

8. **Procurement of consultancy services.** This activity is only allowable after the ESBC consultation with the U.S. Department of Commerce to avoid duplication of services.
9. **Other export initiatives.** The ‘other’ export initiatives must be determined appropriate by SBA’s Associate Administrator (or the Deputy Associate Administrator) of the Office of International Trade and cannot duplicate the services available from SBA, SBA resource partners, or other applicable Federal trade agencies. For example, foreign market sales trips have been determined by STEP as an appropriate use of STEP funds and is considered an item 9 activity.

**STEP Priorities:** To ensure the full utilization of all STEP funds, it is strongly recommended that every non-Federal entity request a Federal award amount that can be managed and realistically achieved within a two-year period of performance. A non-Federal entity’s technical proposal and budget should be clearly focused and targeted based on the TOP PRIORITY exporting needs of small businesses in the non-Federal entity’s state that addresses the key performance measures outlined below.

**Key Performance Measures:**

1. Reach 100% utilization of the award.
2. Increase the number of eligible small business concerns in the State that export.
3. Increase the value of exports by eligible small business concerns in the State.
4. Increase the number of eligible small business concerns exploring significant new trade opportunities.
5. Increase the number of eligible small business concerns in Small Business Communities (as defined in Section 8.1.16) that export.

**Direct Support to Eligible Small Business Concerns:**

Federal funds must directly support development of New to Export ESBCs (NTE) (as defined in Section 8.1.11) and Market Expansion ESBCs (ME) (as defined in Section 8.1.10). Accordingly, Applicants must reflect in their Technical Proposal and Budget Narrative the use of at least 85 percent of their proposed Federal award for the purpose of providing direct benefit to ESBCs, drawn from the above list of nine allowable statutory activities. An application with less than 85 percent will be considered “not responsive” to the Notice of Funding Opportunity requirements and will not be evaluated. Proposed costs that directly benefit ESBCs are composed of:

- i. Costs directly borne by an ESBC to participate in an approved export activity as part of a trade expansion program;
- ii. Approved travel by state STEP personnel listed on the A-10 form and with the funding designated on the SF 424A to develop the pipeline of ESBCs and to assist ESBCs on trade missions and shows; and,
- iii. Approved contract services that directly support ESBCs (e.g., interpreters that are engaged in meetings between ESBCs and foreign buyers, companies engaged in ESBC website development, and providers of export training).

Applicants may propose efforts that comprise financial assistance awards (e.g., vouchers, stipends) for reimbursements to STEP Clients (as defined in Section 8.1.17) for participation in approved export activities.

*1.5 Collaboration and Leveraging of Resources*

Non-Federal entities selected for awards under this Announcement are strongly expected to leverage SBA funding by working in conjunction with SBA's District Offices, SBA's Export Finance Managers, and SBA's resource partners such as SBDCs, SCORE, WBCs, Veterans Business Outreach Centers (VBOCs), Small Business Investment Companies (SBICs), Certified Development Companies (CDCs), and SBA lenders. SBA is particularly interested in demonstrated collaboration with Federal agencies (such as the U.S. Commercial Service) and other Federal, state, local, and tribal government export development programs and activities provided by institutions of higher education (i.e., colleges and universities), trade and vocational schools, and private organizations such as chambers of commerce and trade and industry groups and associations.

Examples of working in conjunction include joint planning, coordination, or execution of export activities between the Applicant and the above entities.

*1.6 SBA Roles and Responsibilities*

STEP is the statutory responsibility of the Associate Administrator, Office of International Trade. The STEP Director:

- i. Establishes program policy, planning, review, coordination, and evaluation;
- ii. In collaboration with the Office of Grants Management, manages STEP in accordance with a competitive merit-based review process;
- iii. Directs program management and monitoring activities executed by SBA Program Managers and other agency resources;
- iv. Ensures effective use of program funds; and,
- v. Resolves issues, problems, and/or disputes.

The STEP Program Manager:

- i. Has the delegated authority for programmatic execution and financial management of the program;
- ii. Serves as the Grants Officer's Technical Representative (GOTR);
- iii. Serves as liaison between OIT and his or her assigned STEP non-Federal entities;
- iv. Maintains communication with the District International Trade Officer;
- v. Receives copies of all official project documents and maintains project files containing copies of the applications, proposals, budgets, notices of award, web-site information, client follow-up plans, financial, statistical and narrative reports, correspondence, modification requests, payment requests, notes, etc.; and,
- vi. Recommends or denies requests for programmatic and budgetary changes to awards and requests for advance of Federal funds and reimbursement of expenditures to the Grants Management Officer.

The Grants Management Officer, Office of Grants Management:

- i. Has full responsibility for financial management of grants;
- ii. Is responsible for issuance of the notices of award, terms and conditions, and approval of programmatic and budgetary modifications; and,
- iii. Reviews and approves all requests for advance of Federal funds and reimbursement of expenditures incurred under the grant.

The District International Trade Officer, SBA District Offices:

- i. Serves as SBA's local point of contact for coordination of the non-Federal entities' efforts and activities with other SBA resource partners;
- ii. Assists STEP non-Federal entities with evaluating activity eligibility for ESBCs; and
- iii. Acts as an advocate for a STEP non-Federal entity's (as defined in Section 8.1.17) program within a district by referring STEP Clients to the STEP program, and helping other SBA personnel and resource partners understand which of their clients are best served by referral to the STEP program.

The SBA Export Finance Managers:

- i. Has lead area responsibility for providing support and assistance regarding SBA's export-focused loan programs; and,
- ii. Guides the STEP non-Federal entity, as necessary, in identifying sources of export-related financial assistance that may be appropriate for STEP Client needs.

#### **1.7** *Changes or Cancellation*

SBA reserves the right to amend or cancel this Announcement, in whole or in part, at the Agency's discretion. Should SBA make material changes to this Announcement, the Agency will extend the Closing Date as necessary to afford Applicants sufficient opportunity to address such changes.

## **2.0 Award Information**

### **2.1** *Estimated Funding*

SBA may award \$19,000,000 or more in FY2020, and \$19,000,000 or more in FY2021 under this Announcement, subject to availability of funding.

The award amounts that can be proposed under this Announcement is a minimum of \$50,000 each in the base year and option year, and a maximum of \$1,350,000 each in the base year and option year.

### **2.2** *Expected Number of Awards*

SBA anticipates making about 48 awards, subject to receiving a passing evaluation score under Section 5.2, available funding for proposed activities, and requested amounts. If the total awards requested by the number of passing applicants is greater than the appropriated funding levels, an applicant may be asked to amend their request to account for the oversubscription of available funds.

### **2.3** *Period of Performance/ Budget Periods*

An award under this announcement will be made for a two-year period of performance (eight quarters), consisting of a base period of 12 months from the date of the award (September 30, 2020 – September 29, 2021), and one (1) option period of 12 months (September 30, 2021 – September 29, 2022). Exercise of the option periods will be solely at SBA's discretion and is subject to the continuing program authority, the availability of funds, and Recipients continued satisfactory performance and compliance with all the terms and conditions of the award. The option period will constitute a separate and distinct 12-month Budget Period. Each application should address funding for both the base and option year Budget Period.

### **2.4** *Reprogramming of Unexpended Funds*

In accordance with the award amount/funding range established in section 1.1.11, to maximize utilization of available STEP grant funds to the benefit Eligible Small Business Concerns, Non-Federal

Entities that receive an award but fail to meet their proposal for forecasted cash needs as reporting in their SF 424A, Section D, may be subject to a mid-performance period reduction in their award level. A Non-Federal Entity will be notified of their failure to meet their proposal for forecasted cash needs in the second and/or third quarter of the period of performance. If at the end of the third quarter of the period of performance a Non-Federal Entity has still not met their proposal for forecasted cash needs, unexpended funds from the first three quarters of the period of performance may be reprogrammed to another Non-Federal Entity during the second year of the period of performance using objective criteria consistent with this Notice of Funding Opportunity. Subject to the statutory limitations, the \$50,000 minimum and \$1,350,000 maximum established in section 1.1.11 may be waived by OIT when reprogramming funds in accordance with this section.

## **2.5** *Funding Information*

In accordance with 2 C.F.R. Section 200.408, allowability of costs is restricted to the statutory export activities, specified in Section 1.4 above.

In addition, all costs proposed in the non-Federal entity's budget must meet the tests of reasonableness necessary, allowability, and allocability set forth in the applicable Office of Management and Budget (OMB) cost principles. SBA will not reimburse the non-Federal entity for its proposal preparation costs, and pre-award costs are not allowable for STEP awards under 2 C.F.R. § 200.458.

Funds provided under STEP must be used solely for the purposes stipulated in this Announcement and the Notice of Award for this performance period and may not be commingled with any other monies or transfer of funds from one award to another.

## **2.6** *Funding Instrument*

The funding instrument used will be a Grant.

## **2.7** *Matching Requirement*

- i. The Federal share of project cost for States that have high export volumes will be 65% and the State matching funds required will be 35% of the sum of the Federal award. High export volume was determined based upon U.S. Census Bureau export data by state. This means that for every \$1 of Federal funds proposed, STEP non-Federal entities must provide \$0.53846 in match. For purposes of this Notice of Funding Opportunity, the high export volume States are California, Texas, and New York.
- ii. The Federal share of project cost for States that do not have high export volume will be 75% and State matching funds required will be 25% of the sum of the Federal award and Recipient match amount. This means that for every \$1 of Federal funds proposed, STEP non-Federal entities must provide \$0.333333 in match.
- iii. SBA will waive up to \$200,000 of the matching funds required for an insular area non-Federal entity that is an agency or instrumentality of an area's government pursuant to 48 U.S.C. § 1469a, which includes American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of Northern Mariana Islands. If the insular area non-Federal entity is not an agency or instrumentality of the area's government, the full matching funds requirement applies.
- iv. Matching funds must be comprised of not less than 50% cash and not more than 50% of indirect and in-kind contributions. Matching funds may not be derived from any Federal program. Non-Federal entity personnel salary and fringe proposed as match will be counted as cash.
- v. Non-Federal entities may not use program income for the purpose of meeting their match.

**2.8** *Program Income (reference 13 CFR 143.25, 2 CFR 200.80, 2 CFR 200.307)*

Program income is gross income from fees or any other monies collected by a STEP non-Federal entity or a partner entity from a STEP ESBC. For STEP, Program Income must be:

- i. Included in the applicant-proposed and SBA-approved budget,
- ii. Accounted for separately from other Federal and Non-Federal monies,
- iii. Added to the approved STEP Federal award amount, and
- iv. Used to directly benefit STEP ESBCs for activities approved by the assigned SBA STEP Program Manager.

Fees paid by a STEP ESBC directly to a recognized provider of export services are not Program Income. The provider can be an independent entity (e.g., U.S. Dept. of Commerce, trade show organizer, export trainer). The entity can be under contract to a STEP non-Federal entity to provide export-related services.

Program income may not be used for the purpose of meeting match requirement and may not be used to support salaries of STEP personnel.

When Applicant intends to serve solely as a fiscal agent and simply receive monies from ESBCs and then provide 100% of the collected costs to third party for services for those ESBCs, rather than using the monies to recoup costs the Applicant has already paid, this approach can be requested, approved and not considered Program Income.

**3.0 Eligibility Information**

**3.1** *Eligible Non-Federal Entity (Eligible Applicant)*

The Trade Facilitation and Trade Enforcement Act of 2015 provides that STEP grants may be awarded only to “States,” meaning any of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa. Therefore, only non-Federal entities that meet this definition are eligible to apply for, and administer an award under this Notice of Funding Opportunity.

For purposes of this Notice of Funding Opportunity, the term “eligible non-Federal entity” means a State agency or other entity that, prior to the date of application for this Announcement, has been officially designated by the State Governor, or equivalent thereof (e.g., Mayor of the District of Columbia), as the sole applicant and lead entity for conducting the State’s trade and export activities.

- i. The organizational structure of the State’s designated international trade arm must show an official agency relationship with State government, and the State must provide financial backing in meeting the required match amount and show support for program activities.
- ii. Only those proposals accompanied by the written designation of the State Governor, or his/her designee, may submit an application for evaluation and funding consideration.
- iii. Should the Governor, or equivalent thereof, assign to a designee the signatory responsibility for the designation letter, the designation letter must include an acknowledgement that the Governor, or his/her equivalent, has authorized the designee to sign the letter on his/her behalf.
- iv. For insular areas, the equivalent of a State Governor is the appropriate signatory.

**3.2** *Ineligible Non-Federal Entity*

The following organizations will automatically be considered ineligible and their applications will be rejected without being evaluated:

- i. Any organization that has not been officially designated by a State Governor as the sole applicant and lead entity for conducting the State's trade and export activities (See Section 3.1 *Eligible non-Federal entity*, above.);
- ii. Any organization that owes an outstanding and unresolved financial obligation to the Federal government;
- iii. Any organization that is currently suspended, debarred or otherwise prohibited from receiving awards of contracts, grants, or cooperative agreements from the Federal government;
- iv. Any organization with an outstanding and unresolved material deficiency reported under the requirements of the Single Audit Act or OMB Circular A-133 within the past three years;
- v. Any organization that has had a STEP grant or cooperative agreement involuntarily terminated or non-renewed by SBA for cause within the past one year;
- vi. Any organization that has filed for bankruptcy within the past five years;
- vii. Any organization that proposes to serve as a pass-through and permits another organization to manage the day-to-day operations of the project; and/or
- viii. Any organization that was convicted, or had an officer or agent acting on its behalf convicted, of a felony criminal violation under any Federal law within the past two years.

#### **4.0 Application and Submission Information**

##### **4.1 General**

- i. A State may submit only one proposal in response to this Notice of Funding Opportunity.
- ii. Any additional applications from a State will automatically be rejected without being evaluated. (Only the latest application successfully submitted by an eligible non-Federal entity to Grants.gov will be screened for potential evaluation for an award.)
- iii. Non-Federal entities must round all monetary values to the nearest whole dollar in all budgetary and financial application document submissions.

##### **4.2 Application Instructions**

All applications successfully submitted to SBA via Grants.gov will undergo a screening process, consisting of a review for Applicant eligibility and application completeness. Applications will be rejected without further evaluation if they are submitted by ineligible entities or they are non-responsive to the requirements of this Notice of Funding Opportunity.

For Applicant convenience, a technical proposal template and list of application elements are provided to ensure the application package follows the order listed in the Notice of Funding Opportunity. In addition, the required application forms and letters with some samples of completed forms can be found in the application instructions as an Appendix..

The following documents are completed as part of the electronic application form on Grants.gov:

- 1) SF-424, Application Federal Assistance,
- 2) SF-424A, Budget Information,

All documents must be submitted as separate attachments due to new Grants.gov workspace requirements. Documents cannot be bundled together.

**Instructions for file naming conventions:** Please include the following attachments separately using the exact name and standard order outlined below. The Application elements as described below

should be named with the Attachment number [#], Applicant's State abbreviation (do not spell out state name), and name of document (identified in the left hand side of chart below). Do not add the word "attachment" in the file name.

**For example: [1] [State abbreviation] Cover Letter.** Applications must upload the following elements as attachments in Grants.gov:

### **REQUIRED APPLICATION ELEMENTS**

**The following Financial Assistance General Certifications and Representations are located within the System for Award Management (SAM.gov) and do not need to be submitted with this application:**

Lobbying Disclosure Act of 1995, 2 U.S.C. 1601 et seq.  
Financial Management Certification – 2 CFR 200.302 & 2 CFR 200.303  
Debarment and Suspension – 2 CFR Part 180  
Drug-Free Workplace – 41 U.S.C. 8103  
Tax Compliance – Section 543 of PL 112-55  
Conflict of Interest – 2 CFR 200.112

#### **Cover Letter (Maximum 1 page)**

##### **[1] [State abbreviation] Cover Letter - (Signed) Pdf format**

The first element of the application must be a cover letter containing a summary of each non-Federal entity's key proposed export activities, which will be sent to Congress and appear on the SBA's STEP webpage. Submit the Cover Letter electronically in pdf format. The cover letter is not counted in the 10-page requirement and must be one page and include the following information:

- i. Non-Federal entity's name and address (which must match the Governor's Letter of designation);
- ii. Non-Federal entity's website address;
- iii. Non-Federal entity's STEP webpage, if one already exists;
- iv. Name, telephone number, fax number, and email address of the non-Federal entity's designated point of contact (the Authorized Organizational Representative);
- v. Dollar amount of Federal assistance being requested;
- vi. A one paragraph summary (110-125 words) of the proposed export activities supporting the proposed milestone goals. Use the following language to start this requirement:

"The (fill in State name) will use STEP award funds to support export development for eligible small business concerns to include (insert the proposed export activities)".

#### **Technical Proposal template (Maximum 10 pages)**

##### **[2] [State abbreviation] Technical Proposal-Word format**

To expedite the proposal review process, Applicants must submit their Technical Proposal using the template provided in the application instructions Appendix. The proposal elements must be in the same order as the evaluation criteria in Section 5.2 of the Notice of Funding Opportunity. **The proposal may not exceed 10 pages (excluding title page and cover page) and must be double-spaced on 8 ½ x 11- inch paper. Times New Roman in 12-point font is required.** Only the first 10 pages will be reviewed and evaluated. An applicant will not be notified and consulted if additional pages are eliminated and not reviewed.

Non-Federal entities do NOT need to address every allowable statutory export activity (identified in Section 1.4). Non-Federal entities are strongly encouraged to prepare focused proposals including, performance measures and supporting activities that can realistically be achieved within the two-year performance period.

- i. **Introduction:** Start the Technical Proposal with an ‘**Introduction**’ section on page one (not on the title page) that summarizes in no more than one (1) paragraph, your organization’s requested Federal and Non-Federal award amount, targeted number of eligible small business concerns, brief description of proposed statutory activities that will be achieved with STEP funds in the base year *and* in the option year, the total expected export sales, and anticipated return on investment that is realistic and achievable.
- ii. **Exporting Experience:** In an estimated (1) page, the organizational capability to achieve success in the past and/or present to increase the number of small business exporters, export sales, and significant new trade opportunities.
- iii. **Project Design:** In an estimated 1-7 pages, labeled with the main heading ‘**Project Design**’, this section should demonstrate how credible and impactful the non-Federal entity’s organization can leverage partnerships to produce new small business exporters, increase ESBCs’ export sales, and expand significant new export opportunities; as well as promote export services to a broad range of small business communities. This section must address all components as described in Section 5.2:
  - a. Performance Measures & Outcomes;
  - b. Direct Benefit to ESBCs;
  - c. Direct Benefit to Small Business Communities; and
  - d. Collaboration;
- iv. **Financial Assistance Plan** - In an estimated 1 page, labeled with the main heading ‘**Financial Assistance Plan**’, this section must outline the eight elements (detailed in Section 5.2) for ESBCs seeking assistance with award funds.
- v. **Data Collection & Measurement of Outcomes** - In an estimated 1 page, labeled with the main heading ‘**Data Collection and Measurement of Outcomes**’, this section must address the required data collection elements identified in Section 5.2.7 (and listed in technical proposal template); and, the quality of Applicant’s ability to quantitatively measure progress towards achieving proposed outcomes. STEP’s proven results are measured by an increase in the number of firms, an increase in the value of ‘actual’ export sales, and an increase in significant new export trade opportunities. *Refer to Technical Proposal template for more details.* Applicants are encouraged to discuss the benefit that can be realized to Your state’s economy as a result of job created and/or job retained stemming from ESBCs participation in export activity. Non-Federal entities shall include a question on your STEP Application to capture the number of jobs created plus jobs retained completed by the client to collect this data.

#### **Proposed Plan: Performance Measures & Outcomes**

##### **[State abbreviation] Proposed Plan - Excel format**

Non-Federal entities will be responsible for preparing a **Proposed Plan** including, **Performance Measures and Outcomes** in an excel spreadsheet (‘Instructions’ on how to complete proposed plan can be found in the application instructions as an Appendix., based on the Milestone Goals submitted in the Technical Proposal. The Proposed Plan serves as the data blueprint to measure the extent to which the STEP grant recipient achieves program activities and the results (outcomes) of those measures. If awarded a grant, the grant recipient will be assigned a STEP Program Manager who is responsible for reviewing and approving your plan. Grant recipients will be required to report performance measures achieved, activities completed, and measurable results

on a quarterly basis for the full two-year award period. SBA will collect, analyze and utilize this data to evaluate the program's overall success. Client data will be confidential and used by SBA only if permission is given by a representative of the eligible small business concern

### **BUDGET INFORMATION**

*Each Applicant must provide budget information according to the specific instructions for each item. **Submit budget information documents separately, in the following order, with the file name labeled as follows:***

#### **Standard Form (SF) 424, Application for Federal Assistance**

##### **/4 [State abbreviation] SF 424 Online and Pdf format** SF 424

Application for Federal Assistance. This standardized form requires basic information about your organization. The STEP Project Director must be listed in block 8f on the SF 424, not a grant writer or any other contact person, since this is where SBA obtains the contact information to generate the Notice of Award (NOA) for acceptance of the grant. Pertinent information regarding this announcement and all programmatic matters will also need to be provided to the STEP Project Director listed in block 8f.

#### **SF-424A, Budget Information (Non-Construction Programs)**

##### **/9 [State abbreviation] SF 424A - Online and Pdf format**

This form requires an estimate of the Applicant's total cost of executing STEP activities described in the technical proposal.

- a. Do not show non-Federal funds overmatch. Include only Applicant staff travel in the "Travel" cost category and ESBC travel in the "Other" cost category;
- b. For Section A, fill in columns (a) with 'STEP', (b) with 59.061, and appropriate total amounts in (e), (f), and (g);
- c. For Section B, label column (1) 'Federal', label column (2) with exact 'Non-Federal' (Cash) match, label column (3) with any 'Non-Federal' (In-kind) contribution (from Applicant or a third party). The 'Total Federal and Non-Federal amount is in column (5) and across line K;
- d. For Section C, (Non-Federal Resources): Only complete columns 8(a) Grant Program with 'STEP', column (b) Applicant (combined Cash/In-kind, if applicable), and column (e) Totals; and;
- e. Prepare SF424A, Section D to match Approved Plan expenditures for the first four quarters. In other words, the 'forecasted cash needs' for year ONE (base year), Federal amount (line 13) and non-Federal amount (line 14) must match the activity expenditure amounts on your proposed plan by quarter. Line 15, the total amount of expenditures you proposed in your Federal and Non-Federal budget and approved plan for all activities must be the same for the first four quarters; Do not merely divide the total amount by eight (quarters). They should match the technical proposal and proposed plan exactly for proposed activities and requested amounts.
- f. Prepare SF424A, Section E, to match Approved Plan expenditures for the 2<sup>nd</sup> four quarters. In other words, the "forecasted cash needs" for the SECOND year (option year) of award. Federal amount (line 16) and non-Federal amount (line 17) must match the activity expenditure amounts on your proposed plan by quarter. Line 19, the total amount of expenditures you proposed in your Federal budget and Non-Federal budget and proposed plan for all activities must be the same for the 2<sup>nd</sup> four quarters. Do not merely divide the total amount by quarters. They should match the technical proposal and proposed plan exactly for proposed activities and requested amounts.

#### **Attachments A-10 through A-12 (Budget Detail Worksheets)**

##### **/9 [State abbreviation] A10 - A12- Pdf format**

- a. A non-Federal entity STEP Project Director must devote at least 50% of his/her time, to the STEP project if the non-Federal entity is NOT a recipient of a FY 19 STEP (Year 8) award. If the non-Federal entity is a FY 19 STEP (Year 8) grant recipient, the STEP Project Director may divide his/her time across both STEP years to meet the minimum 50% requirement.
- b. On the A-10, identify all personnel who will be funded by Federal and Non-Federal amounts or who will support the STEP project without project funding (follow the sample shown on the A-9 'Supplementary Instructions' for personnel calculations; do not include the A-9 instruction page in the application package);
- c. All subtotals and totals on the A-10 through A-12 must match all dollar amounts reflected on SF-424A; and,
- d. Non-Federal entities may substitute their own forms or spreadsheets in place of the A-10 through A-12, provided these alternate forms include all the same cost elements and columns in the same order as the A-10 through A-12.

### **Budget Narrative**

#### **[7] [State abbreviation] Budget Narrative - Pdf format**

- a. Provide a detailed explanation of the components of each budget cost category listed on the SF-424A; Section B.
- b. Explain how each cost component directly benefits ESBCs.
- c. Indicate which cost category (item and dollar amount) comprises the proposed Non-activity related Federal Expense that was entered in the yellow highlighted section at the bottom row (P 21) in the Proposed Plan.

### **Match Certification**

#### **[8] [State abbreviation] Match Certification - Pdf format**

Provide a match certification letter that reflects the Applicant's match components composed of the following elements:

- match dollar amount
- type of match (cash, indirect expense, or in-kind)
- description

A sample match certification letter is included in the application instructions package as an Appendix.

Include as attachments any commitment letter(s) from sources which the Applicant intends to obtain in-kind matching funds.

### **Commitment letter(s)**

#### **[9] [State abbreviation] Commitment Letter - Pdf format**

**Commitment letter(s)** from sources which the non-Federal entity intends to obtain in-kind matching funds (*if applicable*).

### **CERTIFICATION FORMS AND ASSURANCES**

**Submit certification and assurances forms separately in the following order, with the file name labeled as follows (Note: Where applicable, if the applicant has submitted these certifications and assurances via [www.SAM.gov](http://www.SAM.gov) over the past 12 months, the applicant can rely on those forms instead of submitting new versions. Applicable forms are marked below. ENDNOTE):**

### **Cost Policy Statement**

#### **[1] [State abbreviation] Cost Policy Statement - (Signed) Pdf format**

The Cost Policy Statement must describe non-Federal entities general accounting policies and a description of their cost allocation methodology (how each type of proposed cost is allocated: direct, indirect, or match). This policy must be signed by the Chief Financial Officer (or equivalent thereof, holding analogous responsibilities, and having analogous expertise).

### **Designation Letter**

#### **[1] [State abbreviation] Governor Designation Letter - (Signed) Pdf format**

Governor's letter, or equivalent thereof (e.g., Mayor of the District of Columbia), designating the Applicant as the State's sole applicant and lead entity for conducting the State's trade and export activities.

- Address letter to:  
Ms. Michele Schimpp, Deputy Associate Administrator  
Office of International trade  
409 3<sup>rd</sup> Street, S.W.  
Washington, D.C. 20416

For insular areas, the Governor, or equivalent must state that the Applicant is an agency or instrumentality of the area to receive the waiver of matching funds. See Section 3.1.

### **Consultation Letter**

#### **[1] [State abbreviation] Consultation Letter - (Signed) Pdf format**

This is a letter documenting consultation with the applicable trade agencies of the Federal Government on the export activities and contract services the non-Federal entity proposes to carry out using a STEP award to reduce duplication with existing Federal services. At a minimum, non-Federal entities must consult with:

- a. The SBA District Office serving the non-Federal entity's State (or the District Office that serves the non-Federal entity's State capital or is located nearest to the non-Federal entity's office for States with multiple SBA District Offices); and,
- b. The U.S. Export Assistance Center (USEAC) serving the non-Federal entity's State capital or located nearest to the non-Federal entity's office for States with multiple USEACs.
- c. American Samoa, the Commonwealth of Northern Mariana Islands, and Guam should consult with the SBA District Office and the USEAC located in Hawaii.
- d. The consultation letter's purpose is to reduce STEP duplication of existing Federal services. The Consultation Letter has no other purpose.

Use the template Consultation letter for this purpose, which is can be found in the application instructions as an Appendix.

### **ORGANIZATIONAL MANAGEMENT**

*Each Applicant must provide budget information according to the specific instructions for each item. **Submit organizational management documents separately in the following order, with the file name labeled as follows:***

#### **Key Personnel Résumés and Position Descriptions**

##### **[1] [State abbreviation] Key Personnel Resumes and Position Descriptions - Pdf format**

**Résumés and position descriptions** for ALL key personnel (including vacant positions) supporting the STEP project.

- a. Résumé of STEP Project Director should reflect knowledge and experience with both administering a Federal award and executing the proposed export activities;
- b. Other résumés must reflect experience and education relevant to the proposed STEP project.

Résumés may not be more than one page in length. Only the first page of each resume will be reviewed and evaluated. An applicant will not be notified and consulted if additional pages are eliminated and not reviewed.

#### **Lists of Contractual and Consulting Agreements**

#### **[14] [State abbreviation] List of Contractual and Consulting- Pdf format**

**Provides two separate lists of Contracts and Agreements as follows:**

1. **List of Contractual and Consulting Agreements** - List of all extant or anticipated contractual and consulting agreements that ***directly support*** the Applicant's proposed export activities which must include:
  - a. Contract provider name or TBD if contractor is anticipated;
  - b. Manner in which the provider was or will be selected (i.e., competitively or sole source);
  - c. Summary of support provided;
  - d. Actual or estimated contract cost to support the proposed STEP activities;
  - e. Identity of the employee or official of the Applicant organization who will be responsible for overseeing the agreements; and,
  - f. Description of oversight process.

Non-Federal entity may follow their own procurement policies and procedures when contracting with Project Funds but must comply with the requirements of 2 C.F.R. §§ 200.317-200.326.: Additionally, when using Project Funds to procure supplies and/or equipment, You are encouraged to purchase American-manufactured goods to the maximum extent practicable. American-manufactured goods are those products for which the cost of their component parts that were mined, produced, or manufactured in the United States exceeds 50 percent of the total cost of all their components. For further guidance regarding what constitutes an American-manufactured good (also known as a domestic end product), see 48 C.F.R. Part 25.

The following additional rules apply to contracts involving \$10,000 or less:

- a. You do not need to submit copies of the proposed contracts to the GOTR for approval before executing them.
- b. The contracts are not required to be awarded via competition if Your organization considers their prices to be reasonable.

The following additional rules apply to contracts involving between \$10,001 and \$250,000 in Project Funds:

- a. You do not need to submit copies of the proposed contracts to the GOTR for approval before executing them.
- b. You must obtain price quotes (either orally or in writing) from at least three qualified sources and inform SBA of these quotes in the corresponding payment requests/financial reports.
- c. If You do not choose to go with the lowest price quote, you must explain why.

The following additional rules apply to contracts involving more than \$250,000 in Project Funds:

- a. You must submit copies of the proposed contracts to the GOTR for approval before executing the contract.

- b. The contracts must be awarded via competition. Non-competitive contracting at this level is only allowed if You can demonstrate to SBA's satisfaction either: (i) there is only one possible source for a particular good or service or (ii) there is an emergency involving the risk of imminent damage to property or injury to people.

2. **List of contracts** that the non-Federal entity proposes to charge against the project as a direct cost or to meet matching funds requirement that will be outside the indirect cost rate agreement (e.g., a facilities lease).

- a. Contract provider/lessor name.
- b. Summary of support provided.
- c. Actual or estimated contract cost.

If non-Federal entity does not propose any contract support for this award, include this attachment marked "N/A."

## FINANCIAL MANAGEMENT

*Each Applicant must provide financial management information according to the specific instructions for each item. **Submit financial management documents separately in the following order, with the file name labeled as follows:***

### A-133 Audit Report

#### **[X] [State abbreviation] Audit Report - Pdf format**

Attach the most recent A-133 audit report. If the Non-Federal entity is not subject to the requirements of the Single Audit Act, the non-Federal entity must instead submit a copy of its most recently audited financial statement and the CPA opinion of this audit (e.g., unqualified, qualified, adverse, etc.)

Note: if the Non-Federal entity's A-133 or most recent financial statement audit is large, provide a blank page with website link and instruction on where to locate the audit.

### Indirect Cost Rate Agreement (ICRA) or Extension Letter (if applicable)

#### **[X] [State abbreviation] ICRA - Pdf format**

For non-Federal entities that include indirect costs, provide a current, executed Indirect Cost Rate Agreement from the cognizant Federal agency or a letter from the non-Federal entities cognizant Federal agency approving an extension of a previous indirect cost rate for a period of time that covers the period of performance for this award. If the Non-Federal entity does not propose such charges for this award, include this attachment marked "N/A."

## **4.3 Submission Instructions**

This section provides the application submission and receipt instructions for applications submitted for this Announcement. Please read the following instructions carefully and completely.

### **1. Electronic Delivery**

SBA is participating in the Grants.gov initiative to provide the grant community with a single site to find and apply for grant funding opportunities. Applicants must submit their applications online through Grants.gov.

## 2. How to Register to Apply through Grants.gov

a. *Instructions:* Read the instructions below about registering to apply for STEP funds. Applicants should read the registration instructions carefully and prepare the information requested before beginning the registration process. Reviewing and assembling the required information before beginning the registration process will alleviate last-minute searches for required information.

Organizations must have a Data Universal Numbering System (DUNS) number, active System for Award Management (SAM) registration, and Grants.gov account to apply for grants. If individual applicants are eligible to apply for this funding opportunity, then you may begin with step 3, Create a Grants.gov Account, listed below.

As of February 2, 2019, under the provisions of the Paperwork Reduction Act of 1995, the Regulatory Secretariat Division of the Office of Management and Budget (OMB) implemented a new process in the System for Award Management (SAM), to the currently approved information collection requirement regarding the pre-award registration requirements for federal Prime Grant Recipients. These revisions will enable non-Federal entities to submit common federal government-wide certifications and representations for Federal financial assistance at the time of registration in SAM. You must have an up-to-date SAM profile before your grant application can be reviewed for possible award.

Creating a Grants.gov account can be completed online in minutes, but DUNS and SAM registrations may take several weeks. Therefore, an organization's registration should be done in sufficient time to ensure it does not impact the entity's ability to meet required application submission deadlines.

Complete organization instructions can be found on Grants.gov here:

<https://www.grants.gov/web/grants/applicants/organization-registration.html>

1) *Obtain a DUNS Number:* All entities applying for funding, including renewal funding, must have a DUNS Number from Dun & Bradstreet (D&B). Applicants must enter the DUNS Number in the data entry field labeled "Organizational DUNS" on the SF-424 form. For more detailed instructions for obtaining a DUNS Number, refer to:

<https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

2) *Register with SAM:* All organizations applying online through Grants.gov must register and maintain registration with the System for Award Management (SAM). Failure to register with SAM will prevent your organization from applying through Grants.gov. SAM registration must be renewed annually. For more detailed instructions for registering with SAM, refer to:

<https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html>

3) *Create a Grants.gov Account:* The next step is to register an account with Grants.gov. Follow the on-screen instructions or refer to the detailed instructions here:

<https://www.grants.gov/web/grants/applicants/registration.html>

4) *Add a Profile to a Grants.gov Account:* A profile in Grants.gov corresponds to a single applicant organization the user represents (i.e., an applicant) or an individual applicant. If you work for or consult with multiple organizations and have a profile for each, you may log in to one Grants.gov account to access all of your grant applications. To add an organizational profile to your Grants.gov account, enter

the DUNS Number for the organization in the DUNS field while adding a profile. For more detailed instructions about creating a profile on Grants.gov, refer to:

<https://www.grants.gov/web/grants/applicants/registration/add-profile.html>

5) *EBiz POC Authorized Profile Roles*: After you register with Grants.gov and create an Organization Applicant Profile, the organization applicant's request for Grants.gov roles and access is sent to the EBiz POC. The EBiz POC will then log in to Grants.gov and authorize the appropriate roles, which may include the Authorized Organization Representative (AOR) role, thereby giving you permission to complete and submit applications on behalf of the organization. You will be able to submit your application online any time after you have been assigned the AOR role. For more detailed instructions about creating a profile on Grants.gov, refer to:

<https://www.grants.gov/web/grants/applicants/registration/authorize-roles.html>

6) *Track Role Status*: To track your role request, refer to:

<https://www.grants.gov/web/grants/applicants/registration/track-role-status.html>

b. *Electronic Signature*: When applications are submitted through Grants.gov, the name of the organization applicant with the AOR role that submitted the application is inserted into the signature line of the application, serving as the electronic signature. The EBiz POC **must** authorize people who are able to make legally binding commitments on behalf of the organization as a user with the AOR role; this step is often missed, and it is crucial for valid and timely submissions.

### 3. How to Submit an Application to SBA via Grants.gov

Grants.gov applicants must apply online using Workspace. Workspace is a shared, online environment where members of a grant team may simultaneously access and edit different web forms within an application. For each Notice of Funding Opportunity (NOFO), you can create individual instances of a workspace.

Below is an overview of applying on Grants.gov. For access to complete instructions on how to apply for opportunities, refer to: <https://www.grants.gov/web/grants/applicants/workspace-overview.html>

1) *Create a Workspace*: Creating a workspace allows you to complete it online and route it through your organization for review before submitting.

2) *Complete a Workspace*: Add participants to the workspace to work on the application together, complete all the required forms online or by downloading PDF versions, and check for errors before submission. The Workspace progress bar will display the state of your application process as you apply. As you apply using Workspace, you may click the blue question mark icon near the upper-right corner of each page to access context-sensitive help.

a. *Adobe Reader*: If you decide not to apply by filling out web forms you can download individual PDF forms in Workspace. The individual PDF forms can be downloaded and saved to your local device storage, network drive(s), or external drives, then accessed through AdobeReader.

NOTE: Visit the Adobe Software Compatibility page on Grants.gov to download the appropriate version of the software at: <https://www.grants.gov/web/grants/applicants/adobe-software-compatibility.html>

b. *Mandatory Fields in Forms:* In the forms, you will note fields marked with an asterisk and a different background color. These fields are mandatory fields that must be completed to successfully submit your application.

c. *Complete SF-424 Fields First:* The forms are designed to fill in common required fields across other forms, such as the applicant name, address, and DUNS Number. Once it is completed, the information will transfer to the other forms.

3) *Submit a Workspace:* An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab. Grants.gov recommends submitting your application package at least 24-48 hours prior to the close date to provide you with time to correct any potential technical issues that may disrupt the application submission.

4) *Track a Workspace Submission:* After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application. The number will be listed on the confirmation page that is generated after submission. Using the tracking number, access the Track My Application page under the Applicants tab or the Details tab in the submitted workspace.

For additional training resources, including video tutorials, refer to:

<https://www.grants.gov/web/grants/applicants/applicant-training.html>

*Applicant Support:* Grants.gov provides applicants 24/7 support via the toll-free number 1-800-518-4726 and email at [support@grants.gov](mailto:support@grants.gov). For questions related to the specific grant opportunity, contact the number listed in the application package of the grant you are applying for.

If you are experiencing difficulties with your submission, it is best to call the Grants.gov Support Center and get a ticket number. The Support Center ticket number will assist the SBA with tracking your issue and understanding background information on the issue.

#### **4. Timely Receipt Requirements and Proof of Timely Submission**

a. *Online Submission.* All applications must be received by [11:59 p.m.] Eastern Standard Time on Jul 6, 2020. Proof of timely submission is automatically recorded by Grants.gov. An electronic date/time stamp is generated within the system when the application is successfully received by Grants.gov. The applicant with the AOR role who submitted the application will receive an acknowledgement of receipt and a tracking number (GRANTXXXXXXXX) from Grants.gov with the successful transmission of their application. This applicant with the AOR role will also receive the official date/time stamp and Grants.gov tracking number in an email serving as proof of their timely submission.

When SBA successfully retrieves the application from Grants.gov, and acknowledges the download of submissions, Grants.gov will provide an electronic acknowledgment of receipt of the application to the email address of the applicant with the AOR role who submitted the application. Again, proof of timely submission shall be the official date and time that Grants.gov receives your application. Applications received by Grants.gov after the established due date for the program will be considered late and will not be considered for funding by SBA.

Applicants using slow internet, such as dial-up connections, should be aware that transmission can take some time before Grants.gov receives your application. Again, Grants.gov will provide either an error or a successfully

received transmission in the form of an email sent to the applicant with the AOR role attempting to submit the application. The Grants.gov Support Center reports that some applicants end the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application.

#### **4.4** *Required Proposal Submission Date*

**Each non-Federal entity is required to submit its proposal electronically via [www.grants.gov](http://www.grants.gov) no later than 11:59 p.m. Eastern Standard Time on July 6, 2020.** Because of the pre-conditions for submitting applications via Grants.gov and the potential for encountering technical difficulties in using that site, non-Federal entities are strongly encouraged to log on to grants.gov and review the submission instructions early. **DO NOT WAIT UNTIL THE CLOSING DATE TO BEGIN THE SUBMISSION PROCESS.** Non-Federal entities bear sole responsibility for ensuring their proposals are submitted and received before the closing date.

SBA will consider the date and time stamp on the validation generated by Grants.gov as the official submission time. A proposal that is not received by Grants.gov before the closing date of this Notice of Funding Opportunity will be rejected without being evaluated, unless the non-Federal entity can clearly demonstrate through documentation obtained from Grants.gov that it attempted to submit its proposal in a timely manner but was unable to do so solely because of Grants.gov system issues. Additionally, SBA will not accept any changes, additions, revisions, or deletions to applications made after the application closing date, unless requested by the SBA.

Non-Federal entities should save and print written proof of an electronic submission made at Grants.gov. If problems occur while using Grants.gov, the applicant is advised to (i) print any error message received; and (ii) contact Grants.gov for immediate assistance. **Applicants may obtain advice and assistance with the Grants.gov submission process by visiting <http://www.grants.gov/web/grants/applicants.html> or by calling 1-800-518-4726.**

### **5.0** *Application Review Information*

#### **5.1** *General*

The entire application package, comprised of the Technical Proposal (using required template format), and all additional attachments, will be evaluated on its comprehensiveness, completeness, and overall quality.

All applications successfully submitted to SBA via Grants.gov will undergo a screening process, consisting of a review for eligibility and application completeness. Applications will be rejected without further evaluation if they are submitted by ineligible entities or they are non-responsive to the requirements of this Notice of Funding Opportunity.

In addition, an Applicant must disclose in its application if it currently holds any other financial assistance awards from SBA, or has any other applications for SBA financial assistance awards still pending. If it does, the Applicant must identify how it will avoid duplication of efforts, commingling of funds, and overlapping or double-claiming of costs among those projects. Applicants must treat each SBA project as separate and discrete with individual outcomes and deliverables, and provide each application and award with its own reporting, accounting, and audit trails.

Failure to sufficiently distinguish between multiple applications from the same organization, or between an application and one or more current SBA awards, may result in rejection of an application on the ground that it is duplicative of proposed or existing efforts.

#### **5.2** *Evaluation Criteria*

All timely and materially complete applications received from eligible non-Federal entities will be evaluated in accordance with the criteria listed below. Evaluation of applications will result in the possibility of a grant in accordance with a merit-based review process. This will be achieved using a Tier I and Tier II process. Applications must receive a minimum score of 70 total points (combining Tier I and Tier II score) to receive a grant. If an applicant receives a passing score, the amount of the Applicant's grant award will be determined based on the Tier II criteria below, using the performance data from the STEP 6 grant (FY18-FY19; performance period beginning October 1, 2017 and ending September 30, 2019). If an applicant did not have a STEP 6 grant, the applicant will automatically be awarded 55 points in Tier II.

OIT reserves the right to award automatic points in Tier II to an applicant that had a STEP 6 grant award if it was unable to fully expend Federal funds and/or carry out STEP activities due to circumstances beyond the control of the grantee. An example of the failure or inability to execute STEP grant is severe weather (i.e., hurricanes, tornados, tsunami) that caused damage to property, prolonged disruption to the small businesses in that community, or closure of lead agency's office. OIT also reserves the right to adjust awards based on financial management and internal controls established by the grantee, or based on other factors that may have negatively impacted prior year performance but have since been resolved (i.e., change in management within a Non-Federal Entity's STEP office).

Tier I will consist of an evaluation of Project Design totaling 20 points.

Tier II will consist of an evaluation of four criteria as outlined below, totaling 80 points:

- i.* Utilization Rate (20 *points*);
- ii.* Return on Investment (20 *points*);
- iii.* Number of activities provides ESBCs (20 *points*); and
- iv.* Number of activities provided to NTE ESBCs (20 *points*).

### **Tier I Evaluation**

**Technical Proposal (20 Points)** - The Non-Federal entities will be evaluated based on their Technical Proposal and accompanying Proposed Plan (excel spreadsheet). The project design should be very clear, concise and focused (based on a careful assessment of top priorities, key export industries and markets) on the non-Federal entity's state or territory. It must address credible and impactful outcomes pertaining to the program's objectives which are: to increase the number of ESBC exporters, value of exports, and significant new trade opportunities through collaborative efforts. To receive the full 20 points, all the following components must be included in the Technical Proposal.

- i.* **Exporting Experience**– Non-Federal entities will be evaluated according to their organizational capability to achieve success to increase the number of small business exporters, export sales, and significant new trade opportunities.
- ii.* **Performance Measures & Outcomes (Milestone Goals)** –Non-Federal entities will be evaluated on their capability and experience with developing credible and impactful performance measures and outcomes that are commensurate with statutory requirements.
- iii.* **Directly Benefit ESBCs** – Eighty-five percent (85%) of the proposed Federal award is the minimum percentage required to directly benefit ESBC export activities. The proposal must demonstrate the non-Federal entity's capacity to recruit, prepare and assist new small business exporters, specifically;

- a. Building a pipeline and developing small businesses into new exporters (e.g., recruiting, preparing, and assisting NTEs participate in export activities); and
  - b. Building a pipeline of existing small business exporters and expanding their markets (e.g., recruiting, preparing, and assisting MEs participation in export activities).
- iv. **Directly Benefit ESBCs from Small Business Communities** – The proposal must include a plan to increase the number of ESBCs from Small Business Communities assisted (e.g., recruiting, preparing, and assisting ESBCs from Small Business Communities to participate in export activities).
- v. **Collaboration** - Non-Federal entities are expected to establish and leverage collaborative partnerships with relevant organizations to accomplish the proposed performance measures and supporting export activities. Based on information contained in the Technical Proposal, non-Federal entities will be evaluated on how well they will collaborate on proposed export activities, with each of their identified partners, drawn from the following entities:
- a. SBA's District Offices, SBA's Office of International Trade Export Finance Managers and SBA's resource partners such as Small Business Development Centers (SBDC), SCORE, Women's Business Centers, Veterans Business Outreach Centers, Small Business Investment Companies, Certified Development Companies, SBA lenders, and other SBA award recipients;
  - b. Other Federal, State, local and tribal government agencies. SBA is particularly interested in demonstrated collaboration with the U.S. Commercial Service;
  - c. Institutions of higher education (colleges & universities), trade and vocational schools; and
  - d. Private organizations, such as Chambers of Commerce, trade and industry groups, and associations.
- vi. **Financial Assistance Plan**-Non-Federal entities Financial Assistance Plan should address criteria and policies for the following elements. This Plan must conform to the STEP parameters as described below. Non-Federal entities may not build in discretion to use STEP funds for other purposes not approved by SBA.
- a. **Application Process:** Non-Federal entities application process for eligible small business concerns seeking STEP assistance including the following:
    - Criteria and selection process to become a STEP client;
    - Organization and title of the selection panel or committee members (SBA employees cannot be members).
  - b. **Internal Controls:** The non-Federal entities financial management structure and systems – a clearly defined and documented internal control process that will ensure compliance related to the *timely* and *reasonable* expenditure of Federal funds.
    - A specific response time (such as, 30-45 days) for issuing financial assistance awards to STEP clients, processing payments, and submitting reimbursement request in order to expend and report STEP funds in a timely manner must be outlined.
    - The non-Federal entities' process for ensuring that STEP funding is spread out to allow a multiplicity of ESBC participation and encouraging support to new STEP clients.

Non-Federal entities are strongly encouraged to develop requirements for 'building the pipeline' so that companies can 'graduate' from the program after a reasonable duration

and amount of funding. STEP clients should not become dependent on receiving Federal STEP funds.

- c. **Threshold Amounts:** Non-Federal entities ability to develop reasonable thresholds for ESBC reimbursement and participation in STEP activities. This includes: thresholds to define the total amount of Federal funding assistance STEP client may apply for and the total number of export activities they are eligible to participate in during the two year period of performance.
- Maximum dollar amount of financial assistance available to a STEP client.
  - Total number of activities that a STEP client can participate in during the STEP award performance period.

***Participation Threshold Table (OPTIONAL)***

|                      | Total amount of Federal funding assistance to STEP clients | Total number of export activities STEP clients are eligible to participate in |
|----------------------|------------------------------------------------------------|-------------------------------------------------------------------------------|
| Participation Period |                                                            |                                                                               |

Note: The thresholds for participating ESBCs in non-Federal entities proposals will be reviewed for *reasonableness* to ensure the program meets the objective of the Trade Facilitation and Trade Enforcement Act of 2015. The Participation Threshold Table is OPTIONAL as long as the requested information in table is included in non-Federal entities proposal.

- vii. **Data Collection and Measurement of Outcomes-**Based on information contained in the Technical Proposal and their client Data Collection Instrument (DCI), the non-Federal entities will be evaluated on whether their Data Collection Methodology is credible and includes the following critical elements necessary to obtain the sufficient export sales data from ESBCs. DCI elements:
- STEP Client's level of export experience ("market expansion" or "new-to-export" as defined in 8.1.10 and 8.1.11 respectively) on the DCI and on the STEP client application;
  - Actual export sales amount resulting from a completed activity;
  - Projected export sales amount resulting from a completed activity within the following 12 to 18 months;
  - A statement on the DCI by the client that conveys their certification of the reported data. For example, "I hereby certify that all information provided in this document, as well as any accompanying documents, are true and complete;"
  - Number of times results data will be collected during the award year on the DCI and in the Technical Proposal;
  - Number of jobs created plus jobs retained stemming from ESBCs participation in export activity to specific countries and industries to the extent it is possible to collect;and,
  - Non-Federal entities instrument used to collect and record data (e.g., web-based, paper form, email, phone call) on the DCI and in the Technical Proposal. *Electronic signatures may be obtained from STEP clients.*

Additionally, the STEP Client application must include Opt-in language, as described below.

- a. STEP Client Application. Opt-in Language. The Opt-in referral is an important part of SBA's export strategy. If an ESBC is receiving STEP funds, we want our SBA's Export Finance Managers (EFMs) to contact the ESBC to discuss finance options. Each STEP client application must include the following language.
  - "The US Small Business Administration (SBA) would like to give eligible small business concerns the opportunity to expand your knowledge and resources of other export programs that are offered by the agency and other federal agencies. Please check the appropriate box if you would like your company's name and contact information to be shared with other relevant agencies to learn more about federal export programs. Your choice to participate or not will not change the status of your participation with STEP. SBA's aim is strictly to share information about other opportunities with you." This will be followed by "Yes" and "No."
  - If the STEP client selects "Yes", the client's company name, contact person, email address or website address must be included on the Client Report.

### **Tier II Evaluation**

#### **Past Performance (80 Points)**

Tier II will consist of the SBA Office of International Trade's evaluation of accumulated past performance data of non-Federal entities with STEP 6 awards. If a non-Federal entity did not have a STEP 6 award, SBA will award 55 points to the applicant as to not disadvantage States with no applicable prior performance data.

Non-Federal entities will be evaluated in Tier II on the following elements:

- i. **Utilization Rate (20 points):** Evaluation of the use of funds.
- ii. **Return on Investment (20 points):** Evaluation of the actual sales reported compared to the award amount.
- iii. **Number of activities provided to ESBCs (20 points):** Evaluation of the number of activities provided to ESBCs that received STEP assistance compared to the award amount.
- iv. **Number of activities provided to NTE ESBCs (20 Points) :** Evaluation of the number of activities provided to New to Export ESBCs that received STEP assistance compared to the award amount.

### **5.3 Merit-based Review and Selection Process**

Non-Federal entities that are not rejected by grants.gov or SBA's initial screening process will be scored on the basis of how well they meet the evaluation criteria outlined above. The maximum score any application can receive is 100 points (up to 20 possible points in Tier I and up to 80 possible points in Tier II). The threshold score is 70 points. Any application that receives a score below the threshold score will not be funded, once applications have been received and evaluated.

## **6.0. Award Administration Information**

### **6.1 Award Notification**

All non-Federal entities selected for an award and non-Federal entities not selected for an award will receive written notification. **There will be no debriefing process for unsuccessful non-Federal**

**entities.** If you are selected for an award, you will be given instructions on how to register with GrantSolutions to access and sign the award.

## 6.2 *Administrative and National Policy Requirements*

All successful non-Federal entities will be required to comply with the requirements set forth in 2 C.F.R. Part 200 and OMB Circular A-133 (as applicable); and the terms and conditions set forth in their Notices of Award.

The non-Federal entity must permit personnel from SBA's Office of Inspector General (OIG), other SBA personnel involved in the examination and oversight of STEP recipients, and/or their designated agents, unrestricted access to review and make copies of all products, materials, and data, including those prepared or stored electronically.

In addition, SBA may from time to time advise non-Federal entities of awards made under this announcement of new legal requirements and/or policy initiatives with which they must agree to comply.

## 6.3 *STEP Financial Requirements*

Non-Federal entity proposals are not permitted to include costs associated with any of the following items or activities:

- i. Transactions with suspended or debarred entities, as discussed in Part III(B)(2) below;
- ii. Construction or renovation of facilities or acquisition of real estate;
- iii. Litigation, whether civil, criminal, or administrative;
- iv. Providing matching contributions to any other Federal awards;
- v. Meals, lodging, per diem, or other subsistence expenses associated with local travel (however, Project Funds may be used to pay transportation expenses for local travel). Local travel is any travel conducted entirely within a 50-mile radius of Your organization's address of record;
- vi. Travel by elected officials;
- vii. Costs associated with printing materials; and
- viii. National and regional association dues, travel to association events.

The underlying premise of the STEP is to supplement the non-Federal entity with funds for export activities, not to substitute Federal funds for costs non-Federal entities would normally or otherwise cover. Per 2 C.F.R. Section 200.408, use of Federal funds for the STEP is limited to the STEP statutory uses of funds. Proposed use of Federal funds not directly supporting development of new exporters and increasing export sales will not be approved (e.g., national/regional association dues, travel to association events).

With regard to foreign travel and other costs incurred by STEP ESBCs, the following costs are allowable:

- i. Airfare (consistent with Fly America Act guidelines);
- ii. Ground transportation fees;
- iii. Baggage fees;
- iv. Parking fees;
- v. Meals and lodging (based on GSA/Department of State per diem rates);
- vi. Registration fees and booth space for trade shows;
- vii. Trade mission fees;
- viii. Training programs;
- ix. Currency exchange fees;
- x. Other associated and allowable travel expenses;

- xi. Fees for shipping sample products (capped at \$2,000);
- xii. Cost of compliance testing an existing product for entry into an export market (capped at \$3,000);
- xiii. Export research tool subscription used to assist STEP Clients with market research (capped at \$1,000 per award year) is allowable as a direct benefit to ESBCs;
- xiv. Fees associated with other allowable federal services that assist STEP Clients with export activities (capped at \$3,000);
- xv. Website translation into foreign language, search engine optimization, and localization services (capped at \$3,000);
- xvi. Design of marketing media (capped at \$3,000).

**Staff Foreign/Domestic Travel** - STEP supported travel costs incurred by non-Federal entities are limited to non-Federal entity staff that directly support the proposed STEP project who are listed on the A-10 form.

**Guidance on Manufacturing of Goods and Services** - ESBCs engaged in STEP export activities must be an export-ready U.S. company seeking to export goods or services of U.S. origin or have at least 51% U.S. content. To clarify, the ESBC must be an export-ready U.S. company seeking to export goods or services that are EITHER:

1. Of U.S. origin; OR
2. Have at least 51 % U.S. content.

OIT follows the U.S. Commercial Service definition of U.S. content, as defined below.

**U.S. content or manufactured goods** = (ex-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)).

Example:

|                                                              |                                                                      |       |
|--------------------------------------------------------------|----------------------------------------------------------------------|-------|
| Ex-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 factory door)      | -\$2  |
|                                                              | Licenses, royalties, and fees paid for foreign intellectual property | -\$0  |
| = U.S. content                                               |                                                                      | \$51  |

**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)).

Example:

|                                                              |                                                            |       |
|--------------------------------------------------------------|------------------------------------------------------------|-------|
| 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 costs of STEP ESBC and Applicants are NOT allowable:

- i. Passport or visa fees;
- ii. Immunizations;
- iii. Expenses related to entertaining current or prospective clients or government officials;
- iv. New product development or alteration of existing products;
- v. Cellphones and cellphone charges;
- vi. Television and radio production;
- vii. Costs associated with printing materials; and
- viii. Efforts to create or augment marketing and advertising campaigns to draw international visitors to a State.

#### 6.4 *Reporting Requirements*

All non-Federal entities are required to submit the reports identified below. SBA may withhold payment if reports are not received or are deemed inadequate. Failure to report in a timely manner will also be weighed against future applications for award funding from the same organization and the exercise of the option period. The reports, or portions thereof, provided by the non-Federal entity may be made public. In addition, SBA reserves the right to require non-Federal entities to post these reports on their web sites.

##### *Financial Reports*

Non-Federal entities will be required to submit quarterly financial reports to SBA using the form SF-425, Federal Financial Report (FFR) within 30 days of the completion of the first seven quarters and within 90 days of the completion of the eighth and final quarter of the period of performance. Non-Federal entities are encouraged to submit final quarter reports prior to the end of the allowed 90 days.

##### *Progress Reports*

Non-Federal entities will be required to submit quarterly progress reports to SBA using the Grant Progress Report within 30 days of the completion of each of the first seven quarters and within 90 days of the completion of the eighth quarter of the performance period. Non-Federal entities are encouraged to submit final quarter reports prior to the end of the allowed 90 days.

Summary of Participation Measurements: The non-Federal entity should submit along with its progress reports a one paragraph summary of activities that highlights program accomplishments in the base year (Quarter 4) and the option year (Quarter 8), if exercised; such as, total Federal funds expended, total number of ESBCs supported, return on investment, best practices, and how the STEP funds assisted small businesses explore significant new trade opportunities. SBA will provide guidance and revise reporting requirements for the performance period, as needed, to better track progress and actual results.

##### *Report Submission*

Reports must be submitted electronically via e-mail to the assigned GOTR.

**7.0. Agency Contacts**

**7.1 State Trade Expansion Program Point of Contact**

Questions concerning general information contained in this Notice of Funding Opportunity should be directed to STEP@sba.gov. Non-Federal entities may submit questions to the STEP email inbox from Feb 6, 2020 through Mar 5, 2020. SBA will post answers to the questions on SBA.gov by about Mar 17, 2020. No additional questions will be answered after Mar 5, 2020.

**7.2 Financial/ Awards Management Point of Contact**

Questions regarding programmatic and budgetary matters related to this Notice of Funding Opportunity should be directed to the STEP email inbox (STEP@SBA.gov) during the open period (Feb 6, 2020 through Mar 5, 2020). SBA will post answers to the questions on <https://www.sba.gov/STEP> by about Mar 17, 2020.

**7.3 Grants.gov Technical Support**

For technical support with filing an electronic application in response to this Notice of Funding Opportunity, contact the Grants.gov help desk at 1-800-518-4726 or [support@grants.gov](mailto:support@grants.gov).

**8.0. Other Information**

**8.1 Definitions**

The following definitions apply to awards made under this Notice of Funding Opportunity:

- 8.1.1 *Budget Period* – A 12-month period during which expenditure obligations will be incurred by the non-Federal entity of an award under this Notice of Funding Opportunity. The option year, if exercised, will constitute a separate budget period. Thus, for the purposes of this Notice of Funding Opportunity, the budget period will be from September 30, 2020 to September 29, 2021 for the base year, and from September 30, 2021 to September 29, 2022 for the option year, or as stipulated in the Notice of Award.
- 8.1.2 *Cost Policy Statement* – A document describing non-Federal entities' general accounting policies and a description of their cost allocation methodology (how each type of proposed cost is allocated: direct, indirect, or match). This policy must be signed by an authorized official and for the purposes of this Announcement, it is included in the Chief Financial Officer's Certification Letter.
- 8.1.3 *Counseling* – Services provided one-on-one to an individual and/or business that are delivered in person (face-to-face), on the telephone, or electronically and which are:
- i. Substantive in nature and concern the formation, management, financing, and/or operation of a small business enterprise; and
  - ii. Specific to the needs of the business or individual.
- 8.1.4 *Eligible Applicant* – A State agency that has been officially designated by a State Governor (or equivalent) as the sole applicant and lead entity for conducting the State's trade and export activities, and that such designation occurred prior to the date of application submission for an award under the State Trade Expansion Program.
- 8.1.5 *Eligible Small Business Concern* - A company/firm that meets and adheres to the following criteria:
- i. Is organized or incorporated in the United States;
  - ii. Is operating in the United States;
  - iii. Size standard requirements:

- a. The applicable industry-based small business size standard established under section 3 of the Small Business Act; or
- b. 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.);
- c. 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/category/navigation-structure/contracting/contracting-officials//small-business-size-standards>);
- iv. 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,
- v. Has access to sufficient resources to bear the costs associated with trade, including the costs of packing, shipping, freight forwarding, and customs brokers.

8.1.6 *Export Sales* – For the purposes of the STEP program, there are two types of sales that non-Federal entities will report data as defined below:

- i. *Actual* export sales – payment received, signed contract, signed purchase order in hand from a foreign buyer for a product or service provided by a STEP Client.
- ii. *Projected* export sales – estimate of sales of products and services made to foreign buyers over the 24 month (2 year period of performance) from the date of client reporting that is attributable to a STEP supported activity.

8.1.7 *Financial Assistance Plan* – A non-Federal entities proposed plan of providing financial assistance awards to cover costs that eligible small business concerns would otherwise pay from their own funds.

8.1.8 *Grant* - A Federal grant is an award of financial assistance from a Federal agency to a non-Federal entity to carry out a public purpose of support or stimulation authorized by a law of the United States.

8.1.9 *Job Creation* – Job creation is the sum of all employment gains from expanding establishments from year to year including establishment startups. Note: the contribution of firm births can be measured by using the job creation from establishments with firm age equal to zero.

8.1.10 *Market Expansion (ME)* are ESBCs who currently export to one or more markets and are seeking to:

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

8.1.11 *New to Export (NTE)* are ESBCs with:

- i. No export experience at all;
- ii. Only “accidental” or “novice” exporting experience; or
- iii. No export experience within 24 months.

8.1.12 *Non-Federal Entity* – See Section 3.1.

8.1.13 *Notice of Award* – The legal document, signed by both SBA and the non-Federal entity, that memorializes the award of funding under a Notice of Funding Opportunity and contains the specific terms and conditions that apply to the award.

8.1.14 *Project Period* – The period of performance for an award made under this Notice of Funding Opportunity, including the base and option-year Budget Periods.

8.1.15 *Significant New Trade Opportunities* – The total number of ESBCs that receive STEP services. This is the total number of New to Export ESBCs PLUS the total number of Market Expansion ESBCs.

8.1.16 *Small Business Communities* (for the purposes of the STEP program) are defined as:

i) socially and economically disadvantaged individuals (set forth in 13 C.F.R 124.103 and 104) who have been subjected to racial or ethnic prejudice or cultural bias within American society because of their identities as members of groups and without regard to their individual qualities; whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged. The socially and economically disadvantaged individual must own not less than 51 percent of the firm. These include:

- Black Americans;
- Hispanic Americans;
- Native Americans (Alaska Natives, Native Hawaiians, or enrolled members of a Federally or State recognized Indian Tribe);
- Asian Pacific Americans (The complete list is available at 13 C.F.R 103); and
- Subcontinent Asian Americans (persons with origins from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands or Nepal).

ii) small business concerns owned or controlled by women that are:

- not less than 51 percent unconditionally and directly owned and controlled by one or more women who are United States citizens; and
- a small business as defined in 13 C.F.R. part 121.

iii) rural small business concerns - an eligible small business concern located in a rural area, as defined at 26 USC 1393(2), *Rural area*. This includes any area that is outside of a metropolitan statistical area (MSA). MSAs have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration as measured by commuting ties. See OMB Bulletin No. 15-01 for a complete list of MSAs.

iv) veterans and/or service-connected disabled veterans – as defined at 38 CFR 3.1(d) and 13 CFR 125.8(g), *SBC owned and controlled by service-disabled veterans*, is a person who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable, which is demonstrated on the DD Form 214 and who is:

- not less than 51 percent unconditionally and directly owned and controlled by one or more veterans who are United States citizens; and
- a small business as defined in 13 C.F.R. part 121.

v) small business concerns in an Opportunity Zone – An opportunity zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as opportunity zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service. The most current list of designated Qualified Opportunity Zones is available on the U.S. Treasury's website at <https://www.cdfifund.gov/pages/opportunity-zones.aspx>,

8.1.14 *State(s)* - Any of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa.

- 8.1.17 *STEP Client* – An ‘eligible small business concern’ to which a non-Federal entity provides financial assistance awards and/or services consistent with the non-Federal entity’s award under this Announcement.
- 8.1.18 *STEP non-Federal entity* – A non-Federal entity (as defined in Section 3.1) to which an award is made under this Announcement.
- 8.1.19 *Training* – a workshop, seminar or similar activity or event that: delivers a structured program of knowledge, information or experience on a business-related subject. The training must last for a minimum of one hour and include two or more individuals and/or businesses in attendance.

## **9.0 *Key Policies Applicable to this Announcement***

- 9.1 *Buy American and Hire American* – All STEP grant recipients and clients are subject to Executive Order 13788 of April 18, 2017 to monitor, enforce, and comply with Buy American Laws to the extent they apply to ensure the maximum utilization of goods, products, and materials produced in the United States, to promote economic growth, create good jobs at decent wages, strengthen our middle class, and support the American manufacturing and defense industrial bases; and Hire American requirements in order to create higher wages and employment rates for workers in the United States, and to protect their economic interests. **Note:** This is an abbreviation of law. Read the full details that can be found in the Federal Register, Vol. 82, No. 76, dated April 21, 2017.
- 9.2 *Debarment* – SBA will not award STEP grants to suspended or debarred parties unless SBA grants an exception. 2 C.F.R. § 180.400(a), as adopted by 2 C.F.R. § 2700.10. Before signing a Notice of Award for the STEP award, the potential non-Federal entity and its principals must disclose whether they are:
- i. Presently excluded or disqualified;
  - ii. Convicted within the preceding three years of any of the offenses listed in 2 C.F.R. § 180(a)(essentially crimes and civil actions indicating a lack of present responsibility such as fraud, embezzlement, false claims, tax evasion and obstruction of justice);
  - iii. Presently indicted for, or otherwise criminally or civilly charged with the commission of any offense listed in 2 C.F.R. § 180(a); or,
  - iv. Have had one or more public transactions (Federal, State or local) terminated within the preceding 3 years for cause or default.

Please note that SBA defines ‘principal’ at 2 C.F.R. §§ 180.995 and 2700.995. A principal is essentially an individual in a position to influence the grantee’s performance of the STEP Award. STEP non-Federal entities must review the definition of principal in order to ensure compliance with this requirement.

STEP non-Federal entities must include a term or condition in contracts and other arrangements used to support performance of the STEP Award, which requires signatories to those arrangements to comply with Subpart C of 2 C.F.R., Part 180.

- 9.3 *Domestic Policy* - A strong emphasis of the Small Business Administration’s State Trade Expansion Program is assisting STEP Clients, to travel to new foreign markets to develop key contacts, establish distribution channels, and negotiate export sales in the market. However, ESBCs that are new to exporting could discover their first international trade partners and make export sales at domestic trade shows that attract a strong international buyer attendance. In addition, experienced ESBCs seeking to expand their export markets and sales could make significant progress at a domestic trade show that serves as the premier international exhibition for their industry.

The current STEP authorizing statute allows use of STEP funding to support STEP Clients who can effectively increase export sales by exhibiting at domestic trade shows. We must balance the risks of

using Federal export development funds solely for domestic business development with the rewards of allowing STEP clients to exhibit at domestic trade shows which are appropriate for developing the export component of their businesses. Future domestic trade shows are eligible for STEP grantees to provide financial assistance to both new-to-export and market-expansion STEP Clients when the following requirements are met:

1. Grantees will provide the annual schedule of IBP and IBP Select trade shows to all STEP clients who are considering or applying for domestic trade show assistance from STEP.
2. For each STEP Client accepted for STEP financial assistance to exhibit at a domestic trade show, the Grantee will:
  - a. Obtain from the STEP Client its international strategy for exhibiting at a specific domestic trade show;
  - b. Complete a justification statement that reflects the A Grantee's reasonable judgment that a domestic trade show is appropriate for the STEP Client's export development. Reasonable judgment may be based upon one or more factors, to include: a significant foreign buyer presence based upon prior years' attendance data published by the trade show organizer, a known foreign buyer delegation attending a domestic trade show which is specifically relevant to a STEP Client's export development, a domestic trade show which serves as the premier international exhibition for a STEP Client's industry, et al.
3. After the event, Grantee will obtain from STEP Client a list of matchmaking activities completed, if any, and the international leads (such as brokers, distributors, and buyers) contacted during the domestic trade show (the reasonable, necessary, allowable, and allocable costs of matchmaking services are eligible for STEP funding).
4. The Grantee will place the required documentation outlined in steps 2 through 3 in the STEP Client's field and will maintain this documentation for three years after submission of the close out documentation for that award period of performance. This documentation will be subject to review by SBA or its agents at any time.

**9.4** *Educational Services* – SBA has interpreted the intent of the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644) as to increase the number of small businesses engaged in exporting, and the value of exports of such firms, through delivery abroad of goods and services produced in the United States and sold outside the United States. Conceptually and practically, educational services and products are substantially produced in the United States, but they are also substantially delivered in the United States. For this reason, SBA has excluded education as an industrial sector eligible for assistance under STEP.

**9.5** *Fly America Act* - Codified at 14 C.F.R. Part 301-10.131-143, the Act requires that, generally, individuals whose travel is paid for with Federal award funds fly on U.S. Flag Air Carriers. Therefore, it is applicable to travel by both STEP award recipients and STEP clients. However, there are several exceptions that enable travel on non-U.S. Flag Air Carriers.

- i. If travel of a STEP non-Federal entity or STEP client is not paid for with Federal award funds, the Act is not applicable. That is, if the travel is paid out of State matching funds, by the STEP Client, or by a non-Federal third party, the act does not apply.
- ii. If travel is to a destination for which an Open Skies Agreement has been negotiated, the Fly America Act is not applicable. Currently, Open Skies Agreements have been negotiated with the European Union, Austria, Switzerland, and Japan.
- iii. There are a number of other narrower, more trip-specific exceptions that can be found in the regulation and require waiver approval by SBA as part of the travel request process.

- 9.6** *Self-Representation as an eligible small business concern* – The Trade Facilitation and Trade Enforcement Act of 2015 (HR 644) limits provision of services to ‘eligible small business concerns.’ (See definition at 8.1.5.) To ensure compliance with this requirement, firms receiving assistance under the STEP must self-represent themselves as such. This self-representation must be made by firms prior to provision of service by STEP non-Federal entities, and copies of such self-representations must become part of the non-Federal entity’s client records.
- 9.7** *Tourism Policy* - STEP can support export of tourism services as long as the non-Federal entity can demonstrate that costs are allocable to specific U.S. ‘eligible small business concerns,’ and can document the outcomes associated with provision of such services. It should be noted that reporting of outcomes is required each quarter and such documentation could be reviewed as part of a programmatic or financial review. An example of tourism services not fundable includes efforts to create or augment marketing and advertising campaigns to draw international visitors to a State because it would be impossible to allocate appropriate shares of the associated costs to eligible small business concerns and it would be impossible to identify and track such sales by these concerns.