## WHAT IS THE STEP GRANT?

The State Trade Expansion Program (STEP) Grant offers eligible Delaware businesses assistance to help launch or expand export activity. Grant funds can be used to reimburse Delaware businesses for up to 50 percent of all pre-approved, eligible, export marketing expenses, up to a maximum of $7,000 per fiscal year, per company. Delaware companies can receive funding for a maximum of three times, per country market, in a five-year period.

## ELIGIBLE EXPENSES

All submitted expenses must be pre-approved in your funding application by the Delaware Department of State. Delaware reimburses up to 50% of the following pre-approved eligible expenses for **one traveler per company**:

- Airfare (consistent with Fly America Rules[1], must be pre-approved)
- Ground transportation fees
- Baggage fees
- Parking fees
- Lodging (according to federal foreign per diem rates[2], must be pre-approved)
- Registration fees and booth space for trade shows
- Training Workshops (related to export policies, regulations and/or best practices)
- Trade mission fees
- Fees for U.S. Department of Commerce Services such as Gold Key Business Matchmaking Service, Single Company Promotions, International Partner Searches
- Currency exchange fees
- Fees for shipping sample products (capped at $4,000)
- Cost of compliance testing an existing product for entry into an export market (capped at $6,000)
- Export research tool subscription used to assist STEP Clients with market research (capped at $2,000 per award year)
- Website translation into a foreign language, search engine optimization, and localization services (capped at $6,000)
- Design of marketing media related to a trade mission or trade show (capped at $8,000) commensurate with STEP's statutory objectives deemed appropriate and approved in advance by SBA (Examples include trade event publications, online advertising during a trade event, brochures, social media sales campaigns, table banners, event website advertising, billboards, newspapers, banners, and other print media)
- Export conferences, meetings, symposiums, or training programs that pertain to STEP's statutory objectives deemed appropriate and approved in advance by SBA
- Services from a local American Chamber of Commerce (AMCHAM)
- Procurement of a consultancy service (after consultation with the U.S. Department of Commerce)

## WHAT COMPANIES ARE ELIGIBLE?

- Business must have operations in Delaware. Those companies incorporated in Delaware without operations here are not eligible for Delaware STEP Grants.
- Applicant must be a U.S. citizen.
- Product must be made in the USA – there is a 51% U.S. content requirement.
- **Companies must meet SBA size standards for eligibility**, which vary by NAICS code and type of business. **Please verify before completing the application**[3]
- Companies must be in business for no less than a one-year period ending on the date on which assistance is provided under the STEP grant.
- Company must have demonstrated understanding of the costs associated with exporting and doing business with foreign producers, including costs of freight forwarding, customs brokers, packing and shipping.
- Company must have a strategic export plan in effect.
- Accounting, Legal, and Technical Service Firms may be eligible provided they have international clientele, and can prove the intent to expand their business of exporting professional services.

## APPLICATION PROCEDURE

- Please complete the STEP Grant Application and email to the Delaware Department of State.
- All applicants meeting initial criteria will be interviewed by the Department of State.
- Your application will be reviewed and, if approved, you will receive notification via email of your approved status, effective date and award amount within two weeks.

**Please do NOT incur any expenses for which you will be seeking reimbursement prior to Department of State approval as grants cannot be used to reimburse costs retroactively.**

## REIMBURSEMENT PROCEDURE

The following documents must be submitted to the Department of State for reimbursement:

1. Scans of all receipts
2. Itemized Worksheet (template provided by Department of State)
3. Invoice

## EVALUATION AND SALES REPORTS

Companies will be contacted by the Delaware Department of State team to learn of the successes achieved with the help of this grant. According to federal regulations, all companies receiving STEP grants agree to complete a program evaluation form that indicates actual export sales received, projected/estimated future sales as a result of this grant, and Delaware jobs created or retained as a result of the respective trade activities for which funding was granted.

The State of Delaware is required by SBA as a condition of its funding for this program to provide feedback on all activity. This data will be collected three times during the award period – immediately

following activity, and in October/March of the program year. A 24-month survey will be conducted the following fiscal year in October/March.

Recipients of SBA grants acknowledge that their cooperation in this regard is a contingency of such funding. The State of Delaware appreciates your cooperation, and it is essential to our ongoing success in winning and administering SBA grants on behalf of Delaware businesses.

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[1]Fly America Rules: http://www.gsa.gov/portal/content/103191
[2]Federal foreign per diem rates: https://aoprals.state.gov/web920/per_diem.asp
[3] SBA size standards for eligibility https://www.sba.gov/managing-business/running-business/size-standards