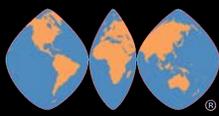




# AR-STEP GRANT APPLICATION GUIDELINES

STATE TRADE EXPANSION PROGRAM

# WE GROW TRADE®



WORLD TRADE CENTER®  
ARKANSAS  
UNIVERSITY OF ARKANSAS

# AR-STEP ELIGIBILITY & APPLICATION GUIDELINES

## SECTION 1

### STEP GRANT GENERAL INFORMATION

The STEP Grant program provides direct reimbursements up to 80 percent of total expenses to qualified small business concerns to develop or expand export-related activities. Applicants interested in the grant funds should review these guidelines prior to completing the application form.

#### A. Program Purpose

The STEP Grant program is designed to increase economic development by boosting the exports of Arkansas companies through export-related activities. There are five primary objectives:

1. Increase export sales of Arkansas eligible small business concerns (ESBCs)
2. Increase the number of New-to-Export ESBCs.
3. Increase entry into new markets by ESBCs already exporting.
4. Increase the overall number of Arkansas small business communities.
5. Increase job creation and retention stemming from ESBC participation in export activities.

#### B. Eligibility

Arkansas companies must meet the following criteria to qualify for STEP program funds:

1. Be in accordance with the Small Business Administration (SBA) guidelines and size standards:

[www.sba.gov/content/small-business-size-standards](http://www.sba.gov/content/small-business-size-standards)

#### B. Eligibility (cont.)

2. Demonstrate understanding of the costs associated with exporting and doing business with foreign purchasers as per paper application
3. Have 2 years of positive financial results domestically and 2 years of domestic sales.
4. Demonstrate potential for export success and positive impact on the regional economy (e.g. jobs created, wages raised, etc.)
5. Provide an EIN number linked to an Arkansas address
6. Be in good standing with the Arkansas Secretary of State's Office, the Arkansas Department of Finance and Administration, and other regulatory agencies.
7. Submit an international business plan and a specific request for reimbursement.

#### C. Grant Allocation & Limitation

1. Funds will be approved for specific, measurable, and eligible export initiatives.
2. Applicants must agree to provide quarterly progress reports associated with the activities for which they are requesting progress with information regarding export sales increases by

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## C. Grant Allocation & Limitation (cont.)

market for 12-18 months. All reporting will be submitted to the World Trade Center Arkansas grants and finance director.

3. Companies are reimbursed for 80 percent of pre-approved expenses (up to the program year maximum).
4. Funds for the STEP Grant are subject to availability.
5. The World Trade Center Arkansas retains final authority in the allocation of STEP Grant funds.

## D. Allowable Uses of STEP Funds

STEP Program funds may be approved for export-marketing related activities including:

1. Participation in foreign trade missions.
2. U.S. Department of Commerce services.
3. International trade show participation.
4. Foreign trade missions.
5. Domestic trade show participation.
6. Participation in export training workshops.
7. Other export initiatives (subject to approval from SBA).

## E. Expense/Reimbursement Limitations

Certain restrictions and limitations are in place for reimbursements. With regard to foreign travel and other costs incurred by STEP ESBCs, **the following costs are allowable:**

1. Airfare (consistent with Fly America Act guidelines);
2. Ground transportation fees;
3. Baggage fees;
4. Parking fees;
5. Meals and lodging (based on GSA/Dept. of State per diem rates);
6. Registration fees and allowable travel expenses;
7. Trade mission fees;
8. Currency exchange fees;
9. Other associated and allowable travel expenses;
10. Fees for shipping sample products (capped at \$2000);
11. Cost of compliance testing an existing product for entry into an export market (capped at \$3000);
12. Export research tool subscription used to assist STEP Clients with market research (capped at \$1000 per award year) is allowable as a direct benefit;

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## E. Expense/Reimbursement Limitations (cont.)

13. Website translation into foreign language, search engine optimization; and localization services (capped at \$3000);
14. Design of marketing media (capped at \$3000).

### **The following costs are NOT allowable:**

1. Passport or visa costs;
2. Immunizations;
3. Expenses related to entertaining current or prospective clients or government officials;
4. New products development or alteration of exiting products;
5. Cellphones and cellphone charges;
6. Television and radio production;
7. Efforts to create or augment marketing and advertising campaigns to draw international visitors to a state;
8. Cost associated with CE mark;
9. Cost for development and/or design of a website for a company; and
10. Cost for enhancement and/or development of an existing company's product.

## SECTION 2

### APPLICATION PROCESS

The following is a summary of the application and approval process for the World Trade Center Arkansas STEP Grant Program.

1. New companies must contact the World Trade Center Arkansas Asst. Director of Grants and Finance to begin the application process. The Asst. Director will then provide the necessary application materials. Companies may email Trish Watkins, Asst. Director of Grants and Finance at [plwatki@uark.edu](mailto:plwatki@uark.edu).
2. World Trade Center Arkansas staff will review the application. Companies that qualify will be contacted by email regarding next steps. Companies that do not qualify will be contacted regarding rationale for the decision.
3. Pre-export companies or companies that are not export-ready will be referred to service providers for training and market research to enhance their readiness.
4. New-to-Export (NTE) Companies and Market Expansion (ME) companies will be contacted by the World Trade Center Arkansas staff to review information needed for the STEP Grant program application and required forms as well as export assistance resources.
5. Companies seeking export incentives will complete and submit the STEP Grant

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program application provided by the World Trade Center Arkansas to [plwatki@uark.edu](mailto:plwatki@uark.edu)

6. Upon receipt and review of the STEP Grant program application, the World Trade Center Arkansas will **approve** the application and contact the company for next steps. Or **deny** the application with an explanation. Denied applicants may be given feedback on how to revise and resubmit.

## PROGRAM GUIDELINES

1. Eligible expenses must be approved in advance by the World Trade Center Arkansas Assistant Director of Grants and Finance (ADGF).
2. Companies must submit the STEP Grant program application to the ADGF at least 45 days prior to the event/activity for which funding is sought.
3. Funding received from ANY other government sources (grants or subsidies) does not satisfy the companies matching requirements for this program.
4. Companies receiving funding must submit all itemized receipts and proof of payment documents associated with the event/activity within 45 days of event/activity completion, unless otherwise noted by the World Trade Center Arkansas.
5. Companies are required to complete the World Trade Center Arkansas's quarterly sales survey for two years following

the most recent activity to track export activity results.

## DOCUMENTATION

Expense documentation is to be submitted to the World Trade Center Arkansas ADGF for audit, review and approval. Upon review and final approval, payment will be made by the World Trade Center Arkansas, University of Arkansas to the company.

## NOTES

1. "Export ready" is defined as a company that has the commitment and ability to export products to foreign markets. More details about export readiness can be found at [export.gov](http://export.gov)'s webpage: "Get Ready to Export: Are You Export Ready."
2. "Pre-export" is defined as a company that has no established strong domestic sales. They will be offered consultation and training to advance.
3. "New to Export" (NTE) is defined as a company that has not yet become a proactive exporter. They may be new to exporting or have exported reactively.
4. "Market Expansion" (ME) is defined as a company that has strategically exported and is ready to expand into new foreign markets.

## FURTHER QUESTIONS

Further questions and requests for information may be sent to [plwatki@uark.edu](mailto:plwatki@uark.edu).