



STEP Financial Assistance Award Guidelines for 2025

Effective: October 1, 2024

The U.S. Small Business Administration's State Trade Expansion Program (STEP) grant initiative provides funding to states and U.S. territories to increase the number of businesses that export. Administered by Maine International Trade Center (MITC), the objective of the STEP Financial Assistance Award is to encourage Maine companies to seek new international sales through financial support for costs associated with such export growth activities.

Eligibility

To apply, companies or firms must:

- Be a Maine-based, for-profit company and pay taxes in Maine (*nonprofits, educational institutions, and cannabis businesses are not eligible*)
- Manufacture or perform at least 51% of the covered good or service in Maine (For additional guidance, see page 5.)
- Have been in business for at least 1 year
- Have access to sufficient resources to bear the costs associated with trade
- Meet the U.S. Small Business Administration's definition of small business
Use the following [sba.gov](https://www.sba.gov/federal-contracting/contracting-guide/size-standards) link for information on size standards for your business:
<https://www.sba.gov/federal-contracting/contracting-guide/size-standards>
- Not be applying for/receiving public financial assistance from any other federal or state funded source for the same project

Overview

First Application Window: November 18 – December 13, 2024

Activity Period for Projects: February 1 – June 30, 2025

Award Notifications: January 15, 2025

Award Amounts: \$5,000 minimum to \$10,000 maximum

Before submitting an application, we recommend that you meet with a MITC Trade Specialist.

STEP Financial Assistance Awards are reimbursements, which means that you must cover 100% of activity costs up front. There is a 25% match required from your company, and the reimbursement payment covers 75% of eligible activity costs. For example, in order to receive a \$5,000 reimbursement payment, you would need to submit at least \$6,700 in paid invoices or similar required documentation for eligible expenses on the project.

Companies must apply for the STEP Financial Assistance Award in advance. Funds may not be used to pay for costs incurred prior to October 1, 2024 or projects completed prior to the award notification date. After a company receives notification of a STEP Financial Assistance Award, the company must complete the project activity within the timeframe stated in the application window.

STEP Financial Assistance Award Process Timeline



Application Process

Before submitting an award application, we recommend that you meet with a MITC Trade Specialist to review eligibility and discuss your project as part of your export growth plan.

The online application process usually takes between 15 to 20 minutes to complete. In addition to basic information about your company, you will need to provide a detailed description of the proposed project, targeted countries, total estimated cost, and explain how you plan to build export capacity from the activity.

Businesses must also complete and submit a self-representation as an “Eligible Small Business Concern” form, a W-9, a U.S. Content form, and a Scope of Work (if applicable) as part of the application process.

Applications for a STEP Financial Assistance Award will not be considered by the review committee until all supporting documentation is submitted. A company may not have more than 1 active application within an application window.

Please note that you have not been awarded any funds until you receive an award notification email from MITC staff.

Funding Categories & Eligible Expenses

International Business Development (International Market Entry)

International business development services awards will reimburse eligible costs associated with business matchmaking services or international trade show participation, plus associated expenses such as shipping.

Expenses relating to domestic trade shows are eligible only if the company engages in international matchmaking services such as the US Commercial Service international buyer's program or equivalent. A receipt for this service and a copy of the meeting schedule will be required for reimbursement. Eligible companies may receive support for one domestic trade show per grant year.

Eligible expenses are determined on a case-by-case basis based on SBA guidelines. Examples of eligible expenses in this category:

- Booth costs, interpreters, and costs for shipping to support the activity
- Digital marketing in foreign market and lead generation services to support the activity
- Consultants to schedule international B2B matchmaking

Export Skills Development (Capacity Building)

Export skills development awards will reimburse eligible costs associated with private or public training and export compliance and consulting services.

Eligible expenses are determined on a case-by-case basis based on SBA guidelines. Examples of eligible expenses in this category:

- Export skills training registration fees for employees
- Consultant fees for compliance testing or certifications for export market entry (e.g., ITAR registration, CE Marking, ISO 9000)
- Export compliance plan development and/or export compliance audit
- Fees for legal, marketing, and tax experts to enhance market-entry strategy

Ineligible Expenses

- Travel expenses such as airfare, lodging, meals, baggage fees, passports, and vaccinations
- Ground transportation: mileage, tolls, or gas expenses
- Printing costs of marketing collateral (brochures, handouts, business cards, etc.)
- Cost of product to sell at a trade show
- Expenses for new product development
- Capital or equipment purchases
- Expenses paid to employees or contractors representing a conflict of interest (e.g., family member)
- Invoices paid in cash, with rewards points, or by any organization other than the awardee
- Projects in countries on the Office of Foreign Asset Control Sanction List

Application Review & Scoring

After the application window closes, all completed applications will be sent to the review committee.

Awards will be determined through a competitive review process. Applications will be scored on several criteria including:

- Strength and detail of the project description
- Potential to increase international sales
- Implementation capacity
- Company location
- Past funding received under the SBA STEP program

Reimbursement Requirements & Timeline

MITC will conduct confidential surveys on completion of the supported project activity and at 6 and 12 months following the activity.

When the project activity is complete, you must submit your post-activity survey, paid invoices, copies of meeting schedules, and any other required information to MITC within 30 days in order to process your reimbursement payment. *After 30 days, award funds may not be provided to reimburse costs for the project.*

MITC has to meet strict federal grant guidelines and auditing requirements, so please carefully note the following receipt requirements. Documentation must be *official evidence of payment* which shows the amount paid, to whom, and what the payment was for.

Acceptable proofs of payment include:

- Invoice showing a zero-balance
- Credit card receipt showing all charges
- Wire transfer receipt
- Copy of BOTH sides of a check along with a copy of the invoice that was paid

Bank statements or credit card statements are not acceptable proof of payment alone without an invoice to support the payment amount shown.

STEP Financial Assistance Awards are reimbursed on a quarterly schedule established by SBA. You will receive the reimbursement payment within 90 days of the end of the quarter during which you submitted all required documentation.

Questions? For more information or clarification, please contact us via email: STEP@mitc.com

Additional Information

Guidance on U.S. Content for Manufactured Goods and Services

Eligible Small Business Concerns (ESBCs) engaged in STEP activities must be an export-ready U.S. company seeking to export goods or services that are of US origin, which is defined as containing 51% or more US content. Please refer to the formulas below to determine your U.S. content.

U.S. content of manufactured goods = (*Ex-factory price of a good*) minus (*Aggregate value contributed by non-U.S. or foreign sources*)

Helpful Definitions:

Ex-factory price of a good: The retail cost of the good minus shipping and the profit margin

Aggregate value contributed by non-U.S. or foreign sources: 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*) minus (*Aggregate value contributed by non-U.S. or foreign sources*)

Helpful Definitions:

Contract value of the service: whether delivered in the U.S. or overseas

Aggregate value contributed by non-U.S. or foreign sources: 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	