

## **Financial Assistance Award Program Guidelines and Application Instructions**

### **A. Introduction**

The Idaho Department of Commerce (IDC) and the Idaho State Department of Agriculture (ISDA) are pleased to announce the competitive solicitation process to award funds for Financial Assistance Awards to support export efforts by small businesses in Idaho.

The U.S. Small Business Administration's (SBA) Office of International Trade (OIT) has allocated funds to Idaho through the State Trade Expansion Program (STEP) Grant program. IDC and ISDA will be awarding export promotion awards to Idaho companies on a competitive basis. If an applicant has limited English proficiency and needs access to resources for assistance, the IDC maintains services standards to help.

#### **Program Purpose**

These initiatives are aimed at achieving two goals: 1) increase the number of small businesses exporting in Idaho and 2) increase the value of exports for small businesses that currently export. Awards can offset a portion of eligible expenses associated with international marketing initiatives. Awards are competitive and will be based upon availability of funds.

### **B. Program Uses**

Financial Assistance Awards are a valuable trade tool available to qualifying companies seeking support in various international trade activities through the **35% matching program with a minimum award of \$3,000 and maximum award of \$15,000**. Awards will be made for a project period to be completed and all funds expended on or before September 29, 2018.

- 35% cash match required (For every authorized \$1.00 you spend you will be reimbursed \$0.65, to the maximum award)
  - **MINIMUM AWARD = \$3,000**
    - Allowable expenditures of \$4,615, you will be reimbursed \$3,000 (\$4,615 x 65% = \$3,000)
  - **MAXIMUM AWARD = \$15,000**
    - Allowable expenditures of \$23,077, you will be reimbursed \$15,000 (\$23,077 x 65% = \$15,000)

The program was designed with flexibility to meet the specific international marketing needs of Idaho companies. Approved project areas include the following:

- Governor's or foreign trade mission
- Foreign market sales trips
- Services provided by the U.S. Department of Commerce (International Partner Search, Gold Key and Platinum Key)
- Website - Translation to a foreign language, search engine optimization, localization services
  - Maximum reimbursement allowed of \$3,000 (\$4,615 maximum total expense)
- International Trade shows

### **C. Qualification**

The Trade Facilitation and Trade Enforcement Act of 2015, which authorized the State Trade Expansion Program, limits provision of services to 'eligible small business concerns'. For purposes of

implementing the STEP Program, the U.S. Small Business Administration (SBA) operationally defines the term 'eligible small business concern' as an entity that meets the specifications below and completes the subsequent certification.

Complies with SBA requirements for self-representation as an eligible small business concern:

- Is organized or incorporated in the United States;
- Is operating in the United States;
- Meets
  - The applicable industry-based small business size standard established under section 3 of the Small Business Act; or
  - 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.);

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> ) Click [HERE](#) to link directly to the complete list of SBA size standards used to define small business concerns based on NAICS codes.;

- 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
- Has access to sufficient resources to bear the costs associated with trade, including the costs of packing, shipping, freight forwarding, and customs brokers.

Eligible small business must meet the following additional criteria to be considered for this program:

- Operates a business in Idaho to process, assemble, and/or distribute a product or provide an exportable service. The company does not need to be headquartered in Idaho, but must have operations located within the state to qualify.
- Must not be debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- Company is for-profit
- Recipients must adhere to the Civil Rights Act of 1964, click [HERE](#) for information.

The following small businesses are not eligible for STEP funding:

- Consulting agencies
- Companies, organizations or individuals recruiting foreign direct investment
- Companies engaged in any activity that is illegal under Federal or state law
- Derives more than one-third of its gross annual revenue from legal gambling activities
- Distributors representing clients
- Educational institutions or for-profit schools recruiting students
- Foreign based companies or more than 49% foreign owned
- Hospitality or tourism operators
- Law Firms
- Multi-level marketing (MLM), direct sales or network marketing companies
- Non-Profit organizations, unless a significant portion of activities are to assist entrepreneurs
- Presents live performances of a sexual nature or derives more than a minor amount of revenue from the sale of products or services of a sexual nature
- Real estate developers
- Retail businesses
- Companies assessed a risk rating from previous year(s) STEP awards may be deemed ineligible

## D. Eligible Expenses

- Travel Expenses
  - Airfare
    - Airfare for up to two (2) employees at a maximum of the cost of a **full fare coach/economy class ticket**.
    - Must comply with the **Fly America Act** by using U.S. flagship carriers for all travel unless there is no service to that destination. Click [HERE](#) to review federal requirements. Limited exceptions apply, click [HERE](#) for guidance and waiver.
  - Baggage Fees
    - For up to two (2) employees. Product samples shipped as extra baggage are not reimbursable as baggage, see shipping.
  - Lodging
    - For up to two (2) employees
      - All lodging expenses to be reimbursed shall not exceed the Per Diem Maximum Lodging Rate as set by the [U.S Department of State](#).
  - Rental Car and fuel for the rental car
  - Meals & Incidental Expenses (M & IE)
    - Meals and incidental expenses for up to two (2) employees to be reimbursed at the Maximum M&IE Rate as set by the [U.S Department of State](#). Travel days are reimbursed at 75% of the allowed rate.
- Trade Show Expenses
  - Booth space/registration fees, insurance, display and furnishings
  - Show services (labor, utilities, security, storage)
  - Printing (signage, brochures, business cards)
  - Demonstration supplies
  - Shipping fees for booth/product display
  - Shipping fees for sample products
    - Maximum reimbursement allowed of \$2,000 (\$3,077 maximum total expense)
- Other Eligible Expenses
  - Website up to \$3,000 (\$4,615 maximum total expense) for translation into a foreign language, search engine optimization, location services
  - Interpreter fees
  - Trade Mission participation fees
    - Idaho Governor's Trade Mission to China participation fee can only be used as match.
  - Services provided by the U.S. Department of Commerce
    - International Partner Search, Gold Key, Platinum Key
- Pre-Award costs are allowed for eligible expenses that fall within the Federal Fiscal Year (September 30, 2016 – September 29, 2017).
  - Exceptions
    - Booth Space Rental Fees. Up to one year in advance of the approved trade show is allowable.
    - Airfare. Up to six months in advance of the approved trade show is allowable.

## E. Ineligible Expenses

Expense categories **ineligible** for reimbursement include, but are not limited to:

- Airline Point Redemption. Do not use airline points to pay for your travel as they are **NOT** reimbursable. You may use points to upgrade to business or first class. Just ensure that it shows clearly on the receipt.
- Cell phones and cell phone charges
- Travel expenses for importers/distributors or in-market company representatives.
- Compensation, wages or salaries
- Meals and beverages (except for travel per diem M&IE outlined above)
- Tips of any kind
- Capital goods, product samples and supplies
- Costs of product research, development or alteration of existing products
- Expenses incurred outside of the STEP grant period
- Passport or visa fees
- Immunizations
- Expenses related to entertaining current or prospective clients or government officials
- Federal regulations set by the U.S. Department of the Treasury prohibit funding of activities in/with sanctioned and/or embargoed countries. Click [HERE](#) for the current list.

## F. Application Process

### Submission Procedures

All applications are accepted online at [Idaho Commerce's Grants Portal](#). To register for a portal account and apply for a STEP Financial Assistance Award, contact Tina Salisbury at 208-287-3164 or by email: [tina.salisbury@commerce.idaho.gov](mailto:tina.salisbury@commerce.idaho.gov). Logins must be requested 48 hours prior to application due date. Once registered you will receive instructions via email for using the portal. Only one login is given per company, so best practice is to assign it to a general company mailbox rather than one specific person.

Application submission is an "all-call" process where all applications for the Federal Fiscal Year (September 30<sup>th</sup> – September 29<sup>th</sup>) are all due by the same deadline and will be reviewed and evaluated concurrently. The department strives for approximately a 3-6 week turnaround time from application to award. In the event that another application period is opened, applicants must submit application a minimum of 45 days in advance of project start date.

Multiple projects may be submitted, however, only up to the maximum award amount of \$15,000 cumulative across all project proposals. Each project requires a separate application and budget worksheet. Awards will be based upon availability of funds.

### Selection and Scoring Criteria

Applications for funding are evaluated using the following criteria and process:

- Applicant's export capabilities, product/service potential, commitment and resources
- Proposal completeness, reasoning and potential impact on the Idaho company and the greater state economy

Once applications have been received and evaluated, IDC and ISDA will set a competitive range for applications and set a threshold score, below which application will not be funded. The ratings will be a tool used in the final determination of the awards.

Additionally, up to 20 points in bonus will be given to companies that are Socially and Economically Disadvantaged Owned Business; Woman Owned; Veteran or Service-Disabled Veteran Owned; Rural Classification. See chart below for definitions of eligibility.

A Risk Assessment Rating will apply only to previous award recipients for a possible -15 points.

Exhibit 2: Evaluation Criteria for Financial Assistance Awards			
I. Scoring Requirements			
What we will measure	Scoring Criteria	Scoring Levels	Weight
a. Applicant Overview and Information	How clear is the purpose of the activity? How accurate is the company overview info?	Very Poor = 1, Poor = 2, Fair = 3, Good = 4, Very Good = 5	5%
b. Product & Export Activity	Clear description of company's products? Describes domestic activity if NTE? How well does the proposed activity address the specified issue? How well does it provide for identified company priorities, obstacles and challenges? Has understanding of obstacles with intl business? How effective will the project be at establishing/increasing the company's exports? How significant are the long-term benefits?	Very Poor = 1, Poor = 2, Fair = 3, Good = 4, Very Good = 5	35%
c. Project Proposal and Budget	How does this activity support the company's overall growth and export strategies? Is the budget well justified and appropriate? How great is the need for the project?	Very Poor = 1, Poor = 2, Fair = 3, Good = 4, Very Good = 5	40%
d. Performance Indicators	How reasonable and achievable are the anticipated outcomes?	Very Poor = 1, Poor = 2, Fair = 3, Good = 4, Very Good = 5	20%
II. Bonus Criteria			
What we will measure	Scoring Criteria	Weight - up to 20 Bonus Points (Cumulative)	
a. Socially and Economically Disadvantaged Owned Business	1)Socially disadvantaged individuals per the SBA are Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, Subcontinent Asian Americans 2)Economically disadvantaged individuals per the SBA are those individuals in groups above whose ability to compete in the free enterprise system has been impaired. *Individual must not own less than 51% of the company.	5 Bonus Points	
b. Woman Owned Business	Not less than 51% unconditionally and directly owned and controlled by one or more women who are U.S. citizens	5 Bonus Points	
c. Veteran or Service-Disabled Veteran Owned	Not less than 51% unconditionally and directly owned and controlled by one or more veterans who are U.S. citizens. A veteran is a person who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable.	5 Bonus Points	
d. Rural Classification	A rural area per the SBA is any area that is outside of a metropolitan statistical area with population below 50,000 plus adjacent territory does not have a high degree of social and economic integration as measured by commuting ties.	5 Bonus Points	
III. Risk Rating - Only for previous award recipients			
What we will measure	Scoring Criteria	Scoring Levels	Weight - 15 Points Deducted (Cumulative) Meets Standards Consistently: -0 Slightly under Standards: -1 to -5 Significantly under Standards: -6 to -10 Severely under Standards: -11 to -15
a. Company did not meet measurable achievement objectives		Met most objectives: -1 Met some objectives: -2 No Objectives met: -3	Up to 3 Points Deducted
b. Company returned significant unspent funds	Lapsed more than 10% of award	11-20% unspent: -1 21-30% unspent: -2 31-40% unspent: -3 41-50% unspent: -4 51-100% unspent: -5	Up to 5 Points Deducted
c. Company has not been timely in submission of required reporting	Amendment/Budget Request	Late submittal: -1 Incomplete submittal: -1	Up to 2 Points Deducted
	Fiscal Reporting	Insufficient proof/documentation: -1 Inadequate communication: -1	2 Points Deducted
	Progress Performance Reporting	Late submittal: -1 Incomplete submittal: -1 Verifiable data: -1	Up to 3 Points Deducted

## G. Financial Reporting

The program operates on a reimbursable basis. Awardees will recover eligible funds once the approved activity has been completed and all documentation has been received. Applicants must match 35% of requested funds. Requests for reimbursements are to be submitted using the reimbursement portion of the "Budget and RFF 2in1" worksheet submitted during application. Requests must be completed and submitted **within 30 days** of return date from project activities. A reminder with submission instructions and reimbursement timeline will go out about 1 week after your project completion date. Copies of receipts for all eligible expenses must be submitted for reimbursement. If funds were used for website translation, provide URL. IDC will not guarantee payment of unbudgeted items. Reimbursements will be processed by IDC according to the quarterly reporting schedule below. SBA processing and final payment will generally require an additional 6 to 8 weeks.

## H. Quarterly Reporting Requirements

### Progress Performance Reporting (PPR)

Companies will be required to complete progress performance reports indicating projected and actual sales, activities performed, including success stories and/or trade barriers. A reminder email will be sent to recipients with instructions and reporting template as deadlines approach. **This information is required and if not provided, the applicant will not be reimbursed.**

#### Reporting Schedule:

- 30 Days After Project Completion
- November 1, 2018
- March 1, 2019

## I. Contacts

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