

## **Trade Missions Program Participation Guidelines and Application Instructions**

### **A. Introduction**

The Idaho Department of Commerce (IDC) is pleased to announce the solicitation process to award assistance to participate in IDC-led and/or Idaho State Department of Agriculture (ISDA) Trade Missions 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. IDC will be awarding export promotion awards to Idaho companies. 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 three goals: 1) increase the number of eligible small businesses in Idaho that export; 2) increase the value of exports by eligible small businesses; 3) increase the number of eligible small businesses exploring significant new trade opportunities. Awards can offset a portion of eligible expenses associated with international marketing initiatives.

#### **IDC/ISDA will provide the following:**

- Organize logistics, payments, and terms and conditions with contractors
- Provide recommendations for travel and hotel reservations
- Coordinate with U.S. Commercial Service (USCS) and/or other contractors
- Organize pre-mission meetings/conference calls
- Help facilitate follow up action items with each company

#### **You agree to:**

- Participate in full mission itinerary times and dates with the IDC/ISDA and other recipients
- Provide company literature, summaries, and logos for marketing brochure upon request and in a timely manner
- Attend all conference calls and meetings that pertain to the trade mission
- Clearly communicate product/service intricacies to IDC/ISDA, USCS and/or contractors
- Facilitate travel reservations and forward confirmation(s) to IDC/ISDA upon booking
- Responsible for costs outside of the project including, but not limited to: food, ground transportation, traveler costs, change fees, shipping costs, and any change/cancellations fees

### **B. Program Uses**

The program was designed with flexibility to meet the specific international marketing needs of Idaho companies. IDC/ISDA has chosen to lead Trade Missions to specific countries and/or regions. Companies will be selected for participation in the mission by submission of applications. Approved IDC/ISDA Trade Missions can be found on the IDC [STEP Grant webpage](#).

## C. Eligible Applicants

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](https://www.sba.gov/size-standards) link for information on size standards for your business (<https://www.sba.gov/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
    - **Affiliates:** You must include the employees or receipts of all affiliates when determining the size of a business. Affiliation with another business is based on the power to control, whether exercised or not. The power to control exists when an external party has 50 percent or more ownership. It may also exist with considerably less than 50 percent ownership by contractual arrangement or when one or more parties own a large share compared to other parties. Check the [SBA's compliance guide for size and affiliation](#) for more detailed information.
    - **Annual receipts:** This is the "total income" (or "gross income") plus the "cost of goods sold." These numbers can normally be found on the business's IRS tax return forms. Receipts are averaged over a business's latest three complete fiscal years or (except in the Business Loan and Disaster Loan Programs) five complete fiscal years to determine the average annual receipts. If a business hasn't been in business for five years, multiply its average weekly revenue by 52 to determine its average annual receipts. The SBA calculates annual receipts in accordance with 13 CFR 121.104.
    - **Employee calculation:** This is the average number of people employed for each pay period over the business's latest 12 calendar months. Any person on the payroll must be included as one employee regardless of hours worked or temporary status. The number of employees of a concern in business less than 12 months is the average for each pay period that it has been in business. The SBA calculates number of employees in accordance with 13 CFR 121.106.
- 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
- Is an export ready U.S. company seeking to export goods or services of U.S. origin or have at least 51% content, click [HERE](#) for information.

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
- A company producing products derived from legal hemp, to include CBD when it meets the definition in [section 297A of the Agricultural Marketing Act of 1946](#) and state of Idaho legislation under [House Bill 126](#). Must comply with FDA Regulations for Dietary Supplement & Conventional Food Products, review [here](#).

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
- Companies that develop and produce products from marijuana
- Companies that sell products or services to a marijuana business may not be eligible. Consult Project Director to verify.
- 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
- The IDC/ISDA reserves the right to limit or exclude previous recipients of STEP funds that have been assessed risk rating

#### **D. Eligible Expenses for Stipend Reimbursement**

Each company may receive a stipend to be used for eligible expenses. Any combination of the options below may be used until the maximum reimbursement is achieved.

- Travel Expenses
  - Airfare
    - Economy airfare compliant with the [Fly America Act](#) for up to two (2) company employees

- The **Fly America Act** requires a U.S. flagship carrier for all travel unless there is no service to that destination. Click [HERE](#) to review federal requirements. Some exceptions apply, click [HERE](#) for guidance and waiver.
- Baggage Fees
  - For up to two (2) company employees
- Lodging
  - Per Diem Maximum Lodging Rate as set by the U.S Department of State for up to two (2) company employees
    - [Domestic](#)
    - [Foreign](#)
- Rental Car and fuel for the rental car
- Meals & Incidental Expenses (M & IE)
  - Maximum M & IE Rate as set by the U.S Department of State for meals and incidental expenses for up to two (2) company employees. First and last travel days are reimbursed at 75% of the allowed rate.
    - [Domestic](#)
    - [Foreign](#)

## E. Ineligible Expenses

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

- First Class or Business Class airline tickets
  - If you fly First/Business Class, you will only be reimbursed up to the Economy rate. To receive reimbursement for the value of an Economy ticket when you fly First/Business class, you **MUST** provide a screen shot model of what the economy fare would have been at the time you booked your First/Business class ticket. Ensure you or your travel agent secures this documentation; without it we cannot reimburse you.
- Airline Point Redemption
  - The value of Airline Point Redemption is not a reimbursable expense. You may use points to upgrade to business or First/Business Class, however, the Economy airfare must be clearly shown on receipts.
- Travel expenses for importers/distributors or in-market company representatives.
- Wages, salaries, benefits, bonuses or other employee incentives
- Meals and beverages other than travel per diem
- Tips of any kind
- Printing of brochures, flyers and business cards
- Capital goods, product samples and supplies (except for mission demonstration supplies)
- Expenses incurred outside of the STEP grant period (see exceptions in section D.)
- 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.
- Expenses for the purpose of attracting foreign direct investment
- Passport costs
- Immunizations (including COVID)
- Entertainment expenses related to entertaining current or prospective clients or government officials
- New product development or alteration of existing products
- Cell phone rentals and cell phone roaming or long-distance charges

- Television and radio production
- Efforts to create or augment marketing and advertising campaigns to draw international visitors to a State
- Costs for enhancement and/or development of an existing company's product

## F. Application Process

### Submission Procedures

All applications are accepted online at [Idaho Commerce's Grant Portal](#). To register for a portal account and apply for a STEP Financial Assistance Award, contact Jeremy Collier at 208-780-5415 or by email: [jeremy.collier@commerce.idaho.gov](mailto:jeremy.collier@commerce.idaho.gov). Logins must be requested at least 48 hours prior to application due date. Access can only be granted during regular business hours, Monday – Friday, 8:00 a.m. – 4:00 p.m. MST. Once registered you will receive instructions via email for using the portal. Only one login is given per company.

There will be a single round for applications for each trade mission announced individually by the project manager of the event via email solicitation(s) and posting to [IDC STEP Grant webpage](#). Applications will be reviewed and evaluated concurrently and will be awarded approximately 6-weeks after application close.

### Selection and Scoring Criteria

Companies will submit non-competitive applications to be vetted for eligibility and will be selected for participation on a first-come-first-served basis until mission capacity is achieved.

### Risk Assessment

A Risk Assessment Rating of up to negative fifteen (-15) points may apply to previous award recipients that have not performed adequately per the award guidelines.

III. Risk Rating - Only for previous award recipients evaluated on a per-award basis					
What we will measure	Rating Criteria	Rating Levels	Rating	Weight - 15 Points Deducted (Cumulative)	
				Meets Standards (in good standing): -0 Slightly under Standards: -1 to -5 Significantly under Standards: -6 to -10 Severely under Standards: -11 to -15	
a.	REQUEST FOR FUNDS	Post Project Fiscal Request for Reimbursement	Late and/or incomplete submittal:	-1	Up to 5 Points Deducted
			Insufficient proof/documentation:	-1	
			Inadequate communication (max):	-3	
b.	REPORTING	Progress Performance Reporting	Late submittal (per reporting period):	-1	Up to 5 Points Deducted
			Incomplete submittal:	-1	
c.	RETURNED FUNDS	Award Agreement Never Executed at Notice of Award	If execution or coorespondence is not received in allotted time period, award will be deemed void and funds returned to the program:	-5	Up to 5 Points Deducted
		Project Cancellation	Project is cancelled after executing the award agreement:	-5	
		Project Executed, but awardee returned unspent funds to the program, sliding scale starting at return of 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				

## F. Financial Reporting

The STEP program is a cost reimbursable program. Recipients of funds will be reimbursed for eligible costs after the approved activity has been completed and all documentation has been received. Requests for reimbursements are submitted online via [Idaho Commerce's Grants Portal](#) along with a .pdf of all eligible receipts. Requests must be completed and submitted **within 30 days** of the project end date listed on the award agreement.

A reminder email with submission instructions and reimbursement timeline will go out about one (1) week after your project completion date. IDC will not guarantee payment of unbudgeted items. Upon final approval from IDC, payment will be disbursed to the grant recipient. Subject to the availability of federal funds it may take up to 8 weeks to be received.

## **G. Reporting Requirements**

Companies will be required to complete Progress Performance Reports (PPR) 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. As a participant in the STEP Grant program, you may be required to report up to 5 times post event, dependent upon when the project occurred. Schedule is subject to change based upon requirements set by the SBA.

Additional reporting beyond the required schedule is encouraged and appreciated, especially if your project occurs late in the grant period. It helps to continue providing the results to the SBA and Congress so that the program may continue to receive Federal funding.

### **Sample Reporting Schedule:**

- January 2025
- April 2025
- July 2025
- October 2025
- December 2025

## **H. Contacts**

For more information or questions, please contact:

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