

STATE TRADE AND EXPORT PROMOTION (STEP) PROGRAM

Eligibility guidelines for Michigan STEP program

Michigan's State Trade and Export Promotion (STEP) program provides direct reimbursements to qualified small and medium-sized export companies to develop or expand export-related activities. Interested applicants should review these guidelines prior to completing the online application intake form.

I. GENERAL INFORMATION ON THE MICHIGAN STEP PROGRAM

A. Program Purpose

The Michigan STEP program is designed spur job creation by empowering Michigan small and medium-sized enterprises (SMES) to export their products. Eligible companies may qualify for up to \$25,000 (Tier 2 \$10,000; Tier 3 \$25,000) in assistance to offset a portion of their export marketing-related costs.

B. Eligibility

Michigan companies must meet the following eligibility criteria to qualify for STEP funds:

1. Have 500 or fewer employees, or otherwise be in accordance with Small Business Administration (SBA) guidelines (www.sba.gov).
2. Provide an Employer Identification Number (EIN) number linked to a Michigan address.
3. Be in good standing with the Michigan Department of Treasury.

C. Grant Allocation and Limitations

- Funds will be approved for specific and measurable export initiatives that require financial support. Applicants agree to measure and share the results of the STEP initiative for which they receive funding.
- Applicants agree to respond to STEP quarterly surveys and provide export sales totals, export transactions and business activities resulting from the STEP program.
- All funds are preapproved based on approved proposal and are distributed as reimbursements to company.
- Eligible reimbursements are those in which the company invests at least 50 percent of the cost of the event or activity.

- Beginning with FY2012 (10/01/11–09/30/12) and each subsequent year of the three-year STEP program, the MEDC Export Team and the REN hosts review funding options and guidelines and retain final authority in the allocation of these funds.
- Funds for the STEP program are subject to availability for each new funding cycle.

D. Allowable Uses of STEP Funds

STEP funds can be approved for allowable export marketing-related activities and must be approved in advance. The funds may support, but are not limited to*, marketing-related activities such as:

- Overseas trade mission participation
- International or domestic trade show participation
- Foreign market sales trips
- Subscription to U.S. Department of Commerce services
- Website and/or marketing material translation services

** Prospective applicants are encouraged to propose any export marketing-related activities that they believe will benefit and enhance their ability to launch and grow export operations.*

II. STEP PROGRAM APPLICATION PROCESS

Following is a summary of the application and approval process for the Michigan STEP program:

A. Application Process

1. Interested applicants complete and submit the online intake form at michiganadvantage.org/export.
2. MEDC staff will review intake forms:
 - a. Applicants that do not qualify will be contacted with rationale for decision
 - b. Qualified applicants will be assessed as Tier 1, 2 or 3 and be contacted regarding next steps

(STEP) Program eligibility guidelines for small and medium-sized export applicants *continued*

3. Tier 1 applicants will be referred to support resources (i.e. SBTDC for training and market research) to enhance their readiness.
4. A STEP representative will contact Tier 2 and Tier 3 applicants to review:
 - a. What information will be needed for the STEP application and how to access the application on line
 - b. Referrals to Michigan export assistance resources
5. Tier 2 and Tier 3 applicants will complete and submit the full online STEP application.
6. Upon receipt and review of the formal STEP application, the MEDC export team will:
 - a. Deny application with explanation (*Note: denied applicants may be given feedback on how to revise and resubmit*)
 - b. Approve application and contact company on next steps

B. Project Implementation Notes

1. Eligible expenses must be approved in advance by the REN host and International Trade Manager (ITM). Funding received from other government sources (grants or subsidies from any level of government) does not satisfy the matching requirements for this program.
2. Companies receiving funding must submit all receipts and proof of payment documents associated with the event/activity within 30 days of event/activity completion.
3. Companies must submit STEP application to the REN host or ITM at least 30 days before the event/activity for which funding is sought.
4. Applicants will be surveyed on export activity status and outcomes once each quarter.

C. Documentation of Expenses

Expense documentation is submitted to the REN host for audit, review, and approval. Upon review and final approval, payment will be made by the REN host to the company.

NOTES

- “Export ready” is defined as a company that has the commitment and ability to export products to foreign markets and that will greatly benefit from the resources and funding available via the STEP program.
- Tier 1 is defined as a company that has never exported and that will benefit from available consultation, market research and training prior to receiving STEP funding.
- Tier 2 is defined as a company that has established strong domestic sales and needs funds to become a proactive exporter. They may be new to exporting or have done incidental exporting (i.e. for a single customer order).
- Tier 3 is defined as a company that has exported proactively and is ready to expand into new markets and reach new customers.

Questions may be directed to export@michigan.org.