

Minnesota State Trade and Export Promotion Program Application

REQUEST FOR PROPOSALS

Date of Issuance: July 1, 2024

The Minnesota Trade Office (MTO), an office within the Minnesota Department of Employment and Economic Development, is soliciting applications for funding for eligible Minnesota-based small businesses to participate in export development activities that will assist the company to begin exporting or increase their exports from Minnesota.

BACKGROUND

The MTO established the STEP Export Assistance for Small Business program after being awarded State Trade and Export Promotion (STEP) funds by the Minnesota legislature. Minn. Stat. § 116J.979. The goal of the program is to assist eligible small businesses in the State to begin exporting or increase the value of their exports.

PURPOSE

The purpose of the State of Minnesota STEP grant is to provide financial and technical assistance to eligible Minnesota small businesses with an active interest in exporting products or services to foreign markets.

FUNDS AVAILABLE

Approximately \$300,000 is available for distribution in this program year, ending on June 30, 2025. Funds will be distributed as eligible applications are approved, so funds may be expended before the end of the program year.

MATCHING FUNDS

This grant requires the recipient to expend matching funds equal to 50% of the total grant award with a **cap of \$7,500 for Fiscal Year 2025**. Expenditure of matching funds must be documented on applicant's budget and reported to the MTO at the time a reimbursement request is submitted. Any reduction to the amount of expenditure of recipient's matching funds that fall below the amount requested in the application and identified in the grant contract will result in a proportionate reduction in the amount of the agreement reimbursement.

SUBMISSION DEADLINES AND REQUIREMENTS

Applications will be evaluated by a review committee on a competitive basis as they are received and proposals must be submitted by the applicant electronically. Applicants can submit an electronic copy of their application and proposal to Jackie Geiger, Minnesota Trade Office, at Jackie.geiger@state.mn.us.

Activities planned through the end of the program year can be submitted for review at any time. However, **early applications are encouraged**, and applications involving travel should be submitted at least two months before planned activities in order for the MTO to have sufficient time to review and process applications.

REPORTING REQUIREMENTS

Accepted applicants will be required to share information on outcomes after completing the proposed activity, including number of leads generated, number of new distributors signed, and export sales generated as a result of the activity. This information is required in order to be reimbursed. Successful applicants also agree to complete an

evaluation before reimbursement and follow-up evaluations for up to one year after the funded activity has been completed.

CONTACT INFORMATION

For questions regarding the Request for Proposals or eligibility requirements, please contact Jackie Geiger, at jackie.geiger@state.mn.us or 651-259-7485.

PROGRAM DESCRIPTION

Eligible small businesses may apply for reimbursement of costs for certain training and export development activities. The purpose of the grant is to help applicants with expenditures and services outside of the applicant's normal company operations. Assistance is available to reimburse successful applicants for the following activities:

1. Export training that will result in the development of a strategic plan for export
2. Participation in foreign trade missions
3. Participation in foreign market sales trips
4. Export trade show exhibits
5. Services provided by the U.S. Commercial Service such as Gold Key Service
6. Design and printing of international marketing products or campaigns*
7. Translation of websites into foreign languages*
8. Testing and obtaining certification such as CE Marking that is required in order to sell products into markets outside of the U.S.*

**Regarding activities 6, 7, and 8 above, all services must be provided by a U.S.-based service provider in order to qualify.*

Allowable Activity Costs**	Unallowable Activity Costs**
<ol style="list-style-type: none"> 1. Travel costs for up to two employees of the company, to include: <ul style="list-style-type: none"> Airfare (consistent with Fly America Act Guidelines) Ground transportation fees Baggage fees Parking fees Lodging (based on GSA/Department of State per diem rates) 2. Registration fees and booth space for trade shows 3. Trade mission fees 4. Currency exchange fees 5. Other associated and allowable travel expenses 6. Fees for shipping sample products (capped at \$4,000) 7. Cost of compliance testing and existing product for entry into an export market (capped at \$6,000) 8. Applicant export research tool subscription used to assist with market research (capped at \$2,000) 9. Website translation into foreign language, search engine optimization, localization services (capped at \$6,000) 10. Consultants services to assist with trade show booth design, partner/distributor searches, and meetings with 	<ol style="list-style-type: none"> 1. Passport or visa fees 2. Immunizations 3. Local travel, hotel and meals within 50 miles of the location of departure 4. Tradeshow giveaways and product samples 5. Expenses related to hosting/entertaining current or prospective clients or government officials 6. New product development or alteration of existing product(s) 7. Cell phones and cell phone charges 8. Expenses related to personal travel needs such as upgraded seats or new luggage 9. To supplement or pay staff salaries for activities related to the grant 10. Consultants cannot submit STEP applications on behalf of businesses if they are accepting STEP funds as payment

foreign companies for the purposes of establishing an export relationship	
** If you have activities not listed above please contact Jackie Geiger at Jackie.geiger@state.mn.us to verify eligibility of the activity. MTO has discretion in determining allowable activity costs.	

Activities must be **pre-approved** in order to be eligible for reimbursement. Companies cannot apply for reimbursement for activities that have already taken place or expenses not listed on **Exhibit B: Planned Budget** of the application and grant contract.

Proposed activities cannot begin until the applicant has a fully executed agreement with the MTO, and the activities must be completed before the expiration date in the signed grant contract. Reimbursement requests and all accompanying documentation must be received by the MTO before the expiration date in the signed grant contract or risk forfeiting reimbursement of all STEP funds awarded.

ELIGIBILITY REQUIREMENTS

Eligible companies must:

- 1) Fit the [SBA definition of a small business](#), based on annual sales or number of employees. These standards can be found at [13 C.F.R. Part 121](#), Subpart A;
- 2) Have been in operation for at least one year at the time of application;
- 3) Be generating revenue based on U.S. operations;
- 4) Not be debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
- 5) Have provided MTO with a strategic plan for exporting (except if applying for reimbursement for export training) in the application;
- 6) Have operations in Minnesota that involve the research, design, manufacture, processing, assembly or distribution of products, or provide an exportable service. More than 50% of the value of the product or service being promoted must be produced in Minnesota.
- 7) Have done research to determine if the products or services are appropriate for the target market, and can be exported to that market;
- 8) Agree to answer surveys and provide information on program outcomes;
- 9) Be in compliance with all applicable Federal and State laws and regulations; and
- 10) Must comply and cooperate with any additional requests by the grant administrator.

REIMBURSEMENT LIMITS AND MATCH REQUIREMENTS

Export Training: Eligible small businesses with successful applications will be reimbursed up to a maximum of \$500 per company for the program year for participation in MTO approved training programs that result in the development of a strategic plan for export. No match is required. However, proof of attendance from the organizers and completion of an export plan will be required to receive reimbursement.

Export Development Activities: Eligible small businesses with successful applications will be reimbursed up to 50% of the qualified expenses included in their program application on Exhibit B: Planned Budget; the maximum reimbursement cap is **\$7,500**. Applications for activities costing less than \$1000, resulting in reimbursement

requests less than \$500 will not be accepted. A company may apply multiple times, but the total maximum award amount for a company cannot exceed **\$7,500** for export development activities (cannot exceed **\$8,000** if training is included) for the program year ending June 30, 2025.

Activities eligible for funding through other federal programs such as the Branded Program administered by Food Export Midwest are **not eligible** for funding, but activities not covered by other federal programs (such as Market Builder) may be included in your application.

The U.S. Small Business Administration offers financing through its SBA Export Express program that may be used for marketing expenses such as foreign trade shows, translation of product literature, etc., as well as to finance specific export orders, expansions, inventory, etc. Financing through the SBA Export Express program may be used to pay upfront costs for STEP activities, as well as to fund the required 50% match. For further information on SBA Export Express, please contact your lender, the SBA Minnesota District Office at 612-370-2324, or see their [SBA Export Express page](#).

TRAVEL REQUIREMENTS

If your planned activities involve out-of-state or international travel, please submit an application at least two months before your planned travel date to allow sufficient time for the MTO to process your application.

Travel costs included in the budget proposal must follow the guidelines below:

- Companies can include costs for a maximum of up to two (2) employees of the company to travel for a particular activity. Travel costs for contractors, consultants, family members and other non-employees of the company are **not allowed**.
- Flight costs for up to a maximum of two (2) employees of the company must be based on coach airfare, and Fly America Act guidelines must be followed in order for flights to be reimbursed. (In general, all flights must be ticketed on U.S. carriers in order to qualify.)
- Hotel and per diem rates (for meals and incidentals) for a maximum of up to two (2) employees of the company must not exceed the U.S. State Department rates for travel dates and the city/cities where traveling. Please review:
 - Domestic: [GSA Per Diem Rates](#)
 - International: [U.S. Department of State Foreign Per Diem Rates](#)
- If you are traveling on a trade mission, hotel and per diem costs for a maximum of up to two (2) employees of the company can be included for the days of the mission. If you are traveling for a trade show, costs for up to 2 days before and 1 day after the show can be included. If you are traveling on an individual sales trip, a detailed itinerary or justification for the number of days included in the budget estimate should be provided. The MTO reserves the right to limit the number of days it allows for reimbursement, regardless of the amount requested by the applicant.
- Costs for hotel, meals, etc. for local travel are not allowed.
- Costs for hosting and entertaining are not allowed.
- Mission fees are not an allowable expense.

SELECTION CRITERIA

Only applications from eligible small businesses will be reviewed. Applications will be reviewed based on the following criteria. **Please note that the following list is offered as a guide only and is not all-inclusive or in priority order.**

- **Project Design (15 points)** – How clearly and detailed is the project explained? Is reliable information provided on the market size and potential for the company’s products? Does the information provided on the market justify the planned activity/activities?
- **Export Potential (25 points)** – How likely is the activity to result in immediate, short-term, or long-term export sales? Will it result in distributor agreements for new markets? Will jobs be added or retained as a result of this activity?
- **Company History and Commitment to Exporting (25 points)** – Does the applicant have sufficient support from company management to perform the planned activity/activities and conduct follow-up necessary to realize export success? Does the company have capacity to take on increased manufacturing/service and support in new markets?
- **Budget (15 points)** – Is the budget justified for the planned activity/activities? Are estimates complete and based on allowable costs?
- **New Market Preference (10 points)** – Is the proposed activity for a market in which the company has not been active before? For trade shows: Has the company exhibited at this show in the past? For trade missions and international sales trips: Has the company traveled to this market before? How many times? Is this to establish distribution in a new industry, or for a new product line?
- **New Exporter Preference (5 points)** – Is the company a new exporter?
- **Traditionally Underserved Businesses (5 points)** – Is the company located in a rural area? Is the company minority-owned, woman-owned, or veteran-owned?

REVIEW AND AWARD PROCESS

Applications are reviewed and evaluated by the STEP Grant Administrator and MTO staff Evaluation Review Committee. Applicants will receive a decision regarding their project within two weeks after the MTO receives their application unless there are issues with the application in which case a decision will be delayed until the issues are resolved. Successful applicants will receive an award email with instructions and requirements for completing a grant contract to carry out planned activities.

The company will have two weeks from the time the grant contract is provided to them to sign and return the grant contract. If the grant contract is not signed and returned within two weeks, the grant contract offer will be rescinded and the funding will be returned to the pool.

Once the grant contract is accepted, the company must make continual progress towards completing the planned activities. If at any point it is determined by the MTO that adequate progress is not being made, and all or part of the committed funds are unlikely to be used, we reserve the right to reduce or cancel the grant contract to make the funds available to other applicants.

APPLICATION INSTRUCTIONS AND FORMS

Step 1:

Confirm your eligibility for the program by reviewing the Eligibility Requirements above and the SBA size standards and guidance on affiliation at the SBA’S [Table of Small Business Size Standards](#) page.

***Only applications from eligible small businesses will be reviewed.**

Step 2:

Register as a Vendor for the State of Minnesota if you have not registered already, on the [Supplier Portal](#) page.

***Your company's Vendor ID number is required for the application.**

Step 3:

Decide on planned activities and fill out the required application forms:

- 1) STEP Self Representation as a Small Business Form
- 2) STEP Debarment Certification Form
- 3) STEP Export Assistance for Small Business Application
- 4) Exhibit A: Export Development Activity Plan (not required if only applying for export training reimbursement)
- 5) Exhibit B: Planned Budget (not required if only applying for export training reimbursement)
- 6) Travel Plan (required if your planned activities involve domestic or international travel)
- 7) Complete the Financial Assistance Demographic survey: <https://forms.office.com/g/njrxPXXAc4>

***All sections/fields of the application must be complete and received in order for the application to be reviewed.**

Step 4:

Print all completed documents and add signatures as needed. Scan and submit all application forms in one email to the Minnesota Trade Office at Jackie.geiger@state.mn.us.

You may attach additional information or additional narrative on a corresponding word document. (Not to exceed four pages)

Any purchases that you want to claim reimbursement for cannot be made until the contract has been fully executed, purchasing prior to a completed contract will result in that item becoming ineligible for reimbursement.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

SELF-REPRESENTATION AS AN ‘ELIGIBLE SMALL BUSINESS CONCERN’

The undersigned seeks services from a State grant recipient under the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644), which authorized the State Trade Expansion Program (STEP).

Section 503 of the Trade Facilitation and Trade Enforcement Act of 2015 defines the term ‘eligible small business concern’, as a business concern that:

1. Is organized or incorporated in the United States;
2. Is operating in the United States;
3. Meets:
 - a. The applicable industry-based small business size standard established under section 3 of the Small Business Act; or
 - b. 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 [SBA Small Business Size Standards](#) for your business

4. 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
5. Has access to sufficient resources to bear the costs associated with trade, including the costs of packing, shipping, freight forwarding, and customs brokers.

Submitting false information in order to obtain services from a STEP grant recipient is a violation of Federal law. If you submit false information the Government may seek criminal, civil, and/or administrative remedies against you, pursuant to 18 U.S.C. §§ 1001, 1040; and 31 U.S.C. §§ 3729–3733. The Government may elect to exclude you from further participation in certain Federal programs and contracts if you submit false information in connection with receiving services from a STEP grant recipient.

I hereby certify that the business I represent is seeking services from a STEP grant program and is an ‘eligible small business concern’, pursuant to the above definition.

Signature

Date

Title

Company Name



**Certification Regarding
Debarment, Suspension, Ineligibility and Voluntary Exclusion
Lower Tier Covered Transactions**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 13 CFR Part 145. The regulations were published as Part VII of the May 26, 1988 *Federal Register* (pages 19160-19211). Copies of the regulations may be obtained by contacting the person to which this proposal is submitted.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Business Name _____

Date _____

By _____
Name and Title of Authorized Representative

Signature of Authorized Representative

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INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations (13CFR Part 145).
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Minnesota Trade Office

STEP Export Assistance for Small Business Application

Company Name			
Address			
City		Zip Code	County
Website			
Contact Person		Contact Phone:	
Title		Contact Email:	
Year Established:	Primary Industry		NAICS:
# of Employees in MN	# of Employees Worldwide	MN Tax ID	State Vendor ID - <u>REQUIRED</u>
Ownership Status (Mark any that apply) <input type="checkbox"/> Minority-owned business <input type="checkbox"/> Veteran-owned business <input type="checkbox"/> Woman-owned business Is this business owned by or affiliated with another company? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, contact Jackie Geiger at 651-259-7485 or Jackie.geiger@state.mn.us to confirm eligibility for the program.)			
Briefly describe your company and the product or service you export/are interested in exporting:			
Is more than 50% of the product/service being exported produced in Minnesota: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Has your company exported on a regular basis to one or more countries? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, # of countries:		Company Annual Sales	Total Export Sales
Has your company received a STEP award in the past? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Did you complete all of the planned activities for that award? <input type="checkbox"/> Yes <input type="checkbox"/> No			
I am <u>only</u> applying for export training reimbursement at this time. <input type="checkbox"/> Yes <input type="checkbox"/> No			

DATA PRIVACY ACKNOWLEDGEMENT:

Per Minnesota Statutes, section 13.591, subdivision 2, data submitted to a government entity under Minnesota Statutes, section 13.591, subdivision 1 becomes public when public financial assistance is provided or the business receives a benefit from the government entity, except that the following data remain private or non-public: business plans; income and expense projections not related to the financial assistance provided; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds.

I have read the above statement and I understand that some or all of the information I provide to the MTO may be made public under the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. I certify that all information provided herein is true and accurate and that the official signing this form has authorization to do so.

Signature

Date

Print Name

Title of Authorized Representative

Exhibit A: Export Development Activity Plan

<p>What activity/activities would your company like to pursue to increase exports from Minnesota?</p>	
<p>Proposed Start Date (Month, Year)</p>	<p>Proposed End Date (Month, Year)</p>
<p>Target market/markets, including countries you will target:</p>	
<p>Please explain your current involvement in the target market(s), and describe how each proposed activity will increase exports for your company (be specific):</p>	
<p>How have you determined the market potential for your product/service there? Be specific.</p>	
<p>Who will be responsible for carrying out these activities? How will increased sales, production, service, etc., be managed within the company?</p>	

Please provide information on the outcomes you expect from participating in this activity:

<p>Number of potential customers met?</p>	<p>Number of potential distributors signed?</p>
<p>Estimated immediate sales?</p>	<p>Estimated short-term sales?</p>
<p>Estimated long-term sales?</p>	<p>By when? (Month, Year)</p>
<p>Other measurable outcomes you expect (Please describe in detail):</p>	

Exhibit B: Planned Budget

Please estimate your expenses for all activities. If not applicable or no cost, please enter "0". Only allowable expenses covered in your Export Development Activity Plan should be included to receive reimbursement. Please review the RFP for rules and restrictions on travel and allowable expenses.

Air travel must follow Fly America Act guidelines in order to be reimbursed.

Rates for Hotel and Per Diem should be based on State Department and GSA rates for the cities you plan to visit. Per Diem is calculated at 75% for the first and last days of travel.

- Domestic: [GSA Per Diem Rates](#)
- International:

*Travelers must be employees of the company. Please refer to Allowable Activities on page two.

Trip 1 Expenses

Airfare Traveler 1	Hotel Traveler 1	M&IE Traveler 1	Airfare Traveler 2	Hotel Traveler 2	M&IE Traveler 2
Ground Transport	Mission Fee	Gold Key Svc	Interpreter		
Exhibit Booth	Furnishings	Shipping			

Trip 2 Expenses

Airfare Traveler 1	Hotel Traveler 1	M&IE Traveler 1	Airfare Traveler 2	Hotel Traveler 2	M&IE Traveler 2
Ground Transport	Mission Fee	Gold Key Svc	Interpreter		
Exhibit Booth	Furnishings	Shipping			

Other Expenses *(Please describe in detail)*

Expense A	Amount
Expense B	Amount
Expense C	Amount
Expense D	Amount
Expense E	Amount

Total of all expenses

Reimbursement Request (50% of estimated expenses to a maximum of \$7,500)

Travel Plans

If your proposed activity/activities involve travel, please provide the following information for each trip planned. For trade mission or focused sales trip, please also attach detailed itinerary. Travelers must be employees of the company in order to be reimbursed for travel expenses. Please refer to page two "Allowable Activities".

Trip 1 Any Traveler substitutions must requested via email and approved prior to travel occurring			
Date Travel to Begin	Date Travel to End	Destination Country	Destination City
Traveler 1 Name & Title		Traveler 2 Name & Title	
Has a representative from the company visited this market before? Yes No			
If yes, how many times?	In which years?	Will you use U.S. Commercial Service's Gold Key Service?	
		Yes No	

For Trade Show Exhibition:

Name of Show	Dates of show	
Have you exhibited at this trade show in the past? Yes No		
If yes, how many times?	In which years?	Show Website

For Trade Mission:

Mission Name and Organizer	Website
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Trip 2

Date Travel to Begin	Date Travel to End	Destination Country	Destination City
Traveler 1 Name & Title		Traveler 2 Name & Title	
Has a representative from the company visited this market before? Yes No			
If yes, how many times?	In which years?	Will you use U.S. Commercial Service's Gold Key Service?	
		Yes No	

For Trade Show Exhibition:

Name of Show	Dates of show	
Have you exhibited at this trade show in the past? Yes No		
If yes, how many times?	In which years?	Show Website

For Trade Mission:

Mission Organizer	Website
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