

**FY 2020 Notice of Funding Opportunity**

**State Trade Expansion Program (STEP)**

**Responses to Questions Submitted to SBA**

**As of 3/13/20**

**Question 1.** Is it possible to refer to STEP by its fiscal year rather than STEP 7, 8, 9?

**Answer 1.** We use these Fiscal Years and Program years somewhat interchangeably. For example, the term “STEP 7” refers to the numbered year of the program. The term FY18 refers to the fiscal year of the award funds. Both have utility in STEP.

**Question 2.** Are both the Cover Letter (ATT 1) and Governor’s Designation Letter (ATT 11) addressed to Ms. Michele Schimpp?

**Answer 2.** Yes

**Question 3.** Some people are seeing differences in required documents between STEP 8 against the STEP 9. Which ones are not required and which are required?

**Answer 3.**

1. SF 3881 – ACH Vendor/Misc. Payment Enrollment Form Not required because this information is incorporated in the registration of Sam.gov.
2. CFO Certification – No longer a stand-alone document. This requirement is now combined with and incorporated into the Cost Policy Statement.
3. Organizational Chart –Not required
4. List of Facilities –Not required
5. Board of Directors –Not required
6. List of Contracts –Required when a contract is more than \$250,000.
7. Tax Identification Document –Not required because this information is incorporated in the registration of Sam.gov.
8. Data Collection Instrument –Required
9. STEP Client Application –Required
10. STEP Client Self-Representation Form –Required

**Question 4.** On page 6 of the NOFA, under item 5, it details trade show exhibitions. At the end of the paragraph, it makes a reference to the Domestic Trade show policy to be found in Section 8.2.3. However, there is no section 8.2.3 in the NOFA. I did locate the “Domestic Policy” in Section 9.3 (pg. 34) that provides information about trade shows. Can SBA please confirm if the reference on page 6 should be changed to be Section 9.3 or provide the missing section 8.2.3.

**Answer 4.** Your statement is correct. Please refer to Section 9.3 on page 34.

**Question 5.** How do we know if we should apply for the base period and the option period?

**Answer 5.** Each state must apply for a base period in order to be considered for an option period. You should apply for the base and option years, if that is your intent.

**Question 6.** Can we clarify that STEP 9 is \$19 million, not \$8 million?

**Answer 6.** STEP 9 FY 2020 funding is \$19 million

**Question 7:** Do we lose our ability to pay for events in advance if the event takes place in the first half of the optional year? For example, a show is in November 2021 (optional year), need to make booth deposit by June 2021 (award year). Can we still do this? If yes, what if we do not get the optional second year funding?

**Answer 7.** No. You will not lose your ability to prepay for booth space. Guidance on prepayment is forthcoming.

**Question 8.** We typically reach our match in year one of the two-year award. Can we still do this in STEP 9?

**Answer 8.** You must have match in the base year and in the option year.

**Question 9.** The technical proposal, budget, etc. needs 8 quarters. So, for the optional second year, why will we need to submit a new budget after year 1 (assuming we're on track)?

**Answer 9.** You will be required to submit some forms, but not a new budget if there are no changes to the optional year budget from your initial application.

**Question 10.** Page 33 – Opportunity Zones – is this another item we will have to start tracking and listing on the client report?

**Answer 10.** No

**Question 11.** In reference to Page 23 of the NOFA, section 5.1 *Application Review Information: General*, would previous STEP grants be considered “other financial assistance awards from SBA” and must be disclosed in the STEP 9 application?

**Answer 11.** No. Previous STEP grants are not considered “other financial assistance awards from SBA.”

**Question 12.** In what year will the STEP 10 application period open?

**Answer 12.** We are not able to comment on future STEP awards at this time.

**Question 13.** I'd like to check if I have the right information for a new STEP application on the designation letter, which will be signed by our Governor.

**Answer 13.** The Governor's letter must be on letterhead paper and should be addressed to Michele Schimpp, Deputy Associate Administrator. The letter must designate

the agency that will administer the State Trade Expansion Program's grant, if approved. The letter must be dated and signed by the Governor unless the Governor's designates another person to sign in their absence which is a separate letter.

**Question 14.** We've started discussing our options for the Year 9 STEP Grant Application, and I'm having trouble finding the templates that we used to get for the various documents required with the application. Did I miss them? Or do we not have them this year?

**Answer 14.** Please refer to the Instructions document and see sample templates.

**Question 15.** Should a state apply for the period September 30, 2019 to September 29, 2020. Or was it for two years?

**Answer 15.** The application for this period has passed. However, the application for the FY2020 Notice of Funding Opportunity (NOFO), which is currently posted in Grants.gov under OIT-STEP-2020-01, covers a two-year period of performance (eight quarters), consisting of a base period of 12 months from the date of the award (September 30, 2020 – September 29, 2021), and one (1) option period of 12 months (September 30, 2021 – September 29, 2022). States must apply for the base period, or may choose to apply for the base period plus the option period. States may not apply for the option period only.

**Question 16.** For the new state STEP Director, is there any material or supportive services to help with understanding the basics of the STEP grant, for example, the process of how to deny applications, how to properly do a quarterly report, etc.?

**Answer 16** Yes. SBA will provide technical assistance to new STEP grant recipients. You will be designated a STEP Program Manager as a grant recipient.

**Question 17** Is there an Excel Sheet Template to be used for the PPR for the application, or can we use the PPR template we have used before?

**Answer 17.** All postings to SBA.gov must be 508 compliant. If you want a fillable version of the Excel template for the PPR, email [James.Parker@sba.gov](mailto:James.Parker@sba.gov), and he will send it.

**Question 18.** I'm not sure that we have the required general certifications and representations submitted via SAM.gov. If we don't have them within SAM.gov, should we attach them to the application via Grants.gov?

**Answer 18.** Every organization is required to have general certifications and representations in SAM.gov. All states should go to SAM.gov to ensure it is current. Go to "Entity Registration", "Reps & Certs." The question "Does [your organization] wish to apply for a Federal financial assistance project or program, or is [your organization] currently the recipient of funding under any Federal financial assistance project or program? The answer to this question should be Yes.

**Question 19.** Should I include cost of compliance testing under the “#9 Other export activities” on my proposed plan?

**Answer 19.** Yes. Compliance testing is allowable. It can go under Item 9.

**Question 20.** What is the STEP appropriation for FY2020?

**Answer 20.** \$19,000,000.

**Question 21.** The new Schedule A has fewer columns than in previous years. Do we lump all trade events together by goal and show the totals, or should we list every individual trade event as we have done in previous years. If we list each event separately, where do we show the name of the event (i.e. individual trade shows, trade missions, etc.)?

**Answer 21.** Provide aggregated activities. Do NOT list every individual trade event.

**Question 22.** There is a program through U.S. Commercial Service called “Rural America’s Intelligence Service for Exporters (RAISE)” which brings intel to rural U.S. companies by identify export industry-specific insights and contacts: <https://2016.export.gov/rural/raise/index.asp>. One of our evaluation criteria for our proposals would be providing assistance that directly benefit ESBCs in Small Business Communities. The RAISE program appears to have several parallels helping small business communities, including socially and economically disadvantaged, women-owned businesses, rural small business concerns, veteran and/or disabled-veteran owned businesses and small businesses concerns in Opportunity Zones. Would there be an opportunity to have this program reviewed and considered as an eligible activity states can propose?

**Answer 22.** Yes. This program is eligible for STEP reimbursement.

**Question. 23.** U.S. Commercial Service has informed us that the International Buyer Program (IBP) trade show program and IBP Select programs are ending and moving to a new program called Trade Event Partnership Program (TEPP): <https://www.export.gov/Trade-Event-Partnership>. This became effective July 1, 2019. At this time, our partners at U.S. Commercial Service have been notifying our office as each international domestic trade show receives its certification as TEPP. Can states officially approve activities in TEPP as part of the STEP Domestic Policy?

**Answer 23.** Yes. This program is eligible for STEP reimbursement.

**Question. 24.** For the Financial Assistance Awards program, given that we now have a base year and option year, would an eligible small business concern be required to complete their activities by the end of the base year (9/29/2021) or would they still have the option to complete their activities through the end of the option year (9/29/2022)?

**Answer 24:** Most activities would have to be completed in the base year that was approved in the application for that time period. However, there may be exceptions. One example would be pre-payment by an ESBC for trade show

booth space if the event were to take place the following year. Another example could be a delay of an activity due to unforeseen circumstances (i.e., natural disasters). States should keep expenses aligned with the approved budget, documenting the occurrence on the Program Management Narrative tab in the PPR.

**Question. 25.** Is there a threshold or percentage of how much utilization we must have spent to avoid having had funds swept?

**Answer 25.** No. There is no specific threshold or percentage. However, the state must use their funds in accordance with their Standard Form 424A, Section D, Forecasted Cash Needs. For example, if an awardee forecasts on their 424A that they will use \$50,000 in Q1, then they will need to use that amount. Please note that the SBA is developing guidance on reprogramming funds, which will be issued as soon as it is available.

**Question. 26.** Could you provide the specific dates or timeframes in which you will be reviewing the utilization of awarded funds. Additionally, could you provide guidance on timeframes if/when the funds will be swept, any opportunities for the states to correct course on utilization, as well as any subsequent consequences as a result of not using these funds in that time planned?

**Answer 26.** Please refer to Section 2.4 “Reprogramming of Unexpended Funds” which notes that States “that receive an award but fail to meet their proposal for forecasted cash needs ...may be subject to a mid-performance period reduction in their award level. A Non-Federal Entity will be notified of their failure to meet their proposal for forecasted cash needs in the second and/or third quarter of the period of performance. If at the end of the third quarter of the period of performance a Non-Federal Entity has still not met their proposal for forecasted cash needs, unexpended funds from the first three quarters of the period of performance may be reprogrammed to another Non-Federal Entity during the second year of the period of performance using objective criteria consistent with this Notice of Funding Opportunity. Subject to the statutory limitations, the \$100,000 minimum and \$900,000 maximum established in section 1.1.11 may be waived by OIT when reprogramming funds in accordance with this section.” Thus, the awardee must realistically forecast their cash needs in their SF 424A. Furthermore, the SBA is developing guidance on reprogramming funds, which will be issued as soon as it is available.

**Question. 27.** Pg. 14, item iv. The Financial Assistance Plan outlined here states that “this section must outline the eight elements (detailed in Section 5.2).” However, when referring to Section 5.2 (end of page 25), the Financial Plan outlined here only includes six bullets to be addressed. Please confirm the items that are to be addressed in the Financial Assistance Plan section.

**Answer 27.** The eight bullets are listed between pages 25 and 26. The eight are listed in three parts A. Application Process, B. Internal Controls, and C. Threshold Amounts.

**Question. 28.** Pg. 24, first paragraph “Applicant’s grant award will be determined based on the Tier II criteria below, using the performance data from the STEP 6 grant (FY18-19; performance period beginning October 1, 2017 and ending Sept 30, 2019). STEP 6 is FY 17-18. Please confirm which grant/fiscal years will be used for review. Will the full 2-year grant be reviewed or just a single year (4 quarters)?

**Answer 28.** Tier II will use performance data for the full STEP 6 period of performance which was September 30, 2017-September 29, 2019.

**Question. 29.** Pg 24, Tier II scoring Item iii. Please clarify this criteria. Grammar is unclear. Are you referring to the ‘number of activities provided to ESBCs’? Our grant was not structured in a way that we (as the state) identified the events/activities. Rather, the ESBC identified the activity. If so, how are we scored? Are you referring to the ‘number of activities completed by ESBCs’? This factor contradicts the Financial Assistance Plan - Threshold Amount criteria (pg 26) that requires we limit the “total number of activities that a STEP client can participate in during the STEP award performance”. Are you referring to the number of activities provides all ESBCs or just ME ESBCs or just NTE ESBCs? Item iii & iv. – Are the number of activities ‘provided’ to ESBCs evaluated against our stated goals or ranked amongst other states? Or neither? Or both?

**Answer 29.** Tier II will use performance data for the full STEP 6 period of performance which was September 30, 2017-September 29, 2019. The ESBC and NTE ESBC numbers are the numbers reported on the summary tab of the STEP 6 Q8 PPR which pulls information from the Activities tab of the PPR.

**Question. 30.** Pg. 25, Section vi. b. (second bullet point). Please define “new” STEP client? Such as: New to exporting? New to STEP? New to using STEP this fiscal year? New after a period of time has passed to using the STEP program again? New to our state’s export program? New to the market? New to the product? Etc.

**Answer 30.** A new client is considered to be an eligible small business concern that has never received STEP support.

**Question. 31.** Pg. 14, Section v. of Technical Proposal. Please define “increase.” Increase over what baseline number? What baseline should applicant use to illustrate results? “STEP’s proven results are measured by an increase in the number of firms, an increase in the value of ‘actual’ export sales, and an increase in significant new export trade opportunities.”

**Answer 31.** You should describe how your numbers will expand with STEP funding.

**Question. 32.** Pg. 32, Section 8.1.15. Is the definition of “Significant New Trade Opportunities” on page 32 accurate? “Significant New Trade Opportunities–The total number of ESBCs

that receive STEP services. This is the total number of New to Export ESBCs PLUS the total number of Market Expansion ESBCs.”

**Answer 32.** Yes.

**Question. 33.** Will the SBA require that the funds awarded in the base year (2021) be spent in the 4 quarters of the same year? Or does a state have 8 quarters to spend the funds?

**Answer 33.** You must complete the base year in 4 quarters.

**Question. 34.** On page 10 of the Notice of Award document, the reporting periods for the base year quarters 5-8 do not overlap with the option year quarters 1-4. Shouldn't these dates overlap?

**Answer 34.** The dates are incorrect. The base year is the first four quarters, and the option is quarters 5 – 8.

**Question. 35.** Our office is having trouble filling out the Adobe Forms. We have performed troubleshooting with our IT team and followed the troubleshooting instructions listed on the Grants.gov website. Unfortunately, we are still unable to fill out the forms without manually editing the documents by adding text fields. In other words, the forms are not fillable. Our IT team asked us to verify that the forms are enabled for us to fill them out.

**Answer 35.** Unfortunately, we are not able to guide you on completion of forms on Grants.gov, which is why we refer you to Grants.gov website. We can only suggest that you fill out the forms, and if you have to save them as PDFs, you may upload them as an attachment.

**Question. 36.** On page 13 of the Instructions document, it states that price quotes must be included in our payment requests/financial reports. Is this level of reporting on the quotes obtained new?

**Answer 36.** No, this was a requirement in FY 2019 as well. All non-Federal entity's contracts must adhere to the requirements set forth in 2 C.F.R. §§ 200.317-200.326. Additional rules apply to contracts involving between \$10,001 and \$250,000 in Project Funds.

**Question. 37.** We have not yet received the official PPR template. Please advise when that will be available.

**Answer 37.** All postings to SBA.gov must be 508 compliant. If you want a fillable version of the Excel template for the PPR, email [James.Parker@sba.gov](mailto:James.Parker@sba.gov), and he will send it.

**Question. 38.** We are confused about how to submit the option year. In the Notice of Award, it states on page 2 that the project and budget periods are Sept 30, 2020-Sept 29, 2021 and Sept 20, 2021-Sept 29, 2022. This would indicate that the new awards will return to 4 quarter period rather than 8 quarter periods, limiting again

our ability to participate in autumn trade shows. However, on page 10 of the same document, it appears that the project and budget periods are actually Sept 30, 2020-Sept 20, 2022 and Sept 30, 2022-Sept 29, 2024. This indicates 2-year period for the base and option year, but without the overlap in 2022 so that would mean we could not do autumn trade shows in the year 2022 only. This is also confusing because we are not clear whether we are submitting for activities for 2 years (2020-2022) or for four years (2020-2024).

**Answer 38.** Unfortunately, the dates in the Notice of Award are incorrect and were released in error. The dates in the NOFO are correct. Non-Federal entities should submit a two-year budget including, the base year (one): Sept 30, 2020-Sept 29, 2021 and option year (two): Sept 20, 2021-Sept 29, 2022. If you are awarded an option year, we expect to give you adequate notification that will enable you to participate in autumn export activities.

**Question. 39.** Another question focused on the base and option year set up is how the SBA would like us to submit the activities and budget information in a practical sense. If there is no overlap between the base year and option year, for example, then the PPR would just be very long, covering 4 years. However, if there is overlap, as indicated in the previous question's first option, I am not clear how this should be demonstrated on the PPR or if we should provide 2 PPRs? These same questions about how exactly we should provide the information to the SBA applies to technical proposal (10 pages would not be sufficient for double the activities - or perhaps even up to 4 years) and the budget documents (some of which do not have enough space for all of these years in the templates, so are we to provide two?). Should the overall budget figure we provide recognize the 2 years (so double the amount we have been requesting) or do we provide two sets of documents, one for each year? Do we only need to duplicate the documents for the affected documents (technical/budget) or also for the letters and cert sand reps?

**Answer 39.** Only one Technical Proposal, Budget, and PPR (covering the base year (one): Sept 30, 2020-Sept 29, 2021 and option year (two): Sept 20, 2021-Sept 29, 2022) is required at this time. No, you would not have to duplicate other documents.

**Question. 40.** The email received on Feb 24 relating to 3 scenarios for sequencing the STEP awards further added to our confusion. We would not consider the first two scenarios provided, but Scenario 3 seems to indicate that to apply for STEP 9 we would have to forgo quarters 5-8 of our STEP 8 grant, and we have a project plan through quarter 5 for STEP 8. There are other scenarios, such as simply applying for STEP 9 base year as we previously have applied for STEP awards (which we intend to do) but we are not clear how to handle the option year in that scenario, which has not yet been addressed.

**Answer 40.** The three scenarios were written to answer specific questions for States that do not want to manage two grants simultaneously. There is no requirement to forgo quarters 5-8 of a STEP grant in order to apply for STEP 9 base year. Please also refer to the answers for questions 39 and 40 for further guidance.



**Question. 41.** On page 9 of the Notice of Award, it indicates that companies that derive more than a de minimis amount of revenue from the sale of products or services of a prurient sexual nature are excluded. As long as a company is legal and sells legal products and services, what is the rationale for excluding such companies from export support?

**Answer 41.** The Small Business Administration prohibits the use of federal government funds for prurient sexual uses.

**Question. 42.** Tier II Evaluation – Past Performance. Number of activities provided to NTE ESBCs (20 points) – This was never mentioned to be a threshold in previous years. What is the appropriate level of NTE vs ME ESBCs? Are we correct in our understanding that Past Performance will be evaluated on STEP Year 6 based on David Glaccum’s remarks at SIDO?

**Answer 42.** There is no numerical threshold nor an appropriate level of NTE vs ME ESBCs assisted. Yes, STEP 6 performance will be used for scoring in the Tier II evaluation process. Levels of ESBCs assisted are different given different levels of state funding. The ESBC and NTE ESBC numbers are the numbers reported on the summary tab of the STEP 6 Q8 PPR which pulls information from the Activities tab of the PPR.

**Question. 43.** Section 5.1 General – Paragraphs 3-4. Regarding disclosure of any other financial assistance awards from SBA. Should this information be included in the Technical Proposal and if yes, where should it be included. If not included in the Technical Proposal, then where should this information be reported?

**Answer 43.** It is preferable that an Applicant (Non-Federal Entity) disclose of any ‘other’ financial assistance awards in the Cover Letter so it can be easily identified.

**Question. 44.** Section 9.0 Key Policies Applicable to this Announcement. 9.5 Fly America Act – With Brexit fully in place, and the UK no longer part of the EU, is it safe to assume that the UK will no longer qualify for Open Skies Agreement and any travel to the UK will have to adhere to Fly America Act?

**Answer 44.** All foreign travel must adhere to the Fly America Act and Open Skies Agreement. This applies to travel to the UK; although Brexit has been signed and approved, the details are still in the process of being worked out.

We further advise states to take special precaution (including, reviewing all pertinent Federal travel advisories) before arranging foreign travel to avoid risk. For example,  
<https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html/>

**Question. 45.** Form 424A. Please clarify if this form should include only the first 4 quarters of the award, or if it should be broken out into all 8 quarters of the award. Will there be guidance on how to do this, specifically, what lines will quarters 5-8 be reported in? If all

8 quarters are required, what is the timeframe for revisions to be made for plans outlined in the last 4 quarters?

**Answer 45.** The FY2020 Notice of Funding Opportunity (NOFO) covers a two-year period of performance (eight quarters), consisting of a base period of 12 months from the date of the award (September 30, 2020 – September 29, 2021), and one (1) option period of 12 months (September 30, 2021 – September 29, 2022). States must provide a Form 424A for the base period and if a grant is desired for the option period, that information should be provided in Section E.

**Question. 46.** Instructions for the FY2020 STEP program indicate that templates are available. In the past, SBA has provided Word, Excel and editable PDF templates. I am unable to locate the Word template for the Technical Proposal or the Excel file for the Proposed Plan on Grants.gov. For Applicant convenience, a technical proposal template and application checklist is provided to ensure the elements of the application package follow the order listed in the Notice of Funding Opportunity. I have found the PDF of application instructions which show the Technical Proposal and Proposed Plan in PDF form, but cannot seem to source the .docx or .xlsx files on Grants.gov. Can you please advise?

**Answer 46.** Page 15 of the Instructions in Grants.gov is the Application Instructions Appendix, which also refers to samples. Those samples include Cover Letter, Technical Proposal Template, Proposed Plan, Instructions to Complete “Proposed Plan,” Match Certification, and Consultation Letter. Those documents appear on pages 15 through 27 of the Instructions. Please note that all postings to SBA.gov must be 508 compliant. If you want a fillable version of the Excel template for the PPR, email [James.Parker@sba.gov](mailto:James.Parker@sba.gov), and he will send it. Also in [www.grants.gov](http://www.grants.gov) is a sample Proposed Plan. Go to [www.grants.gov](http://www.grants.gov), search Small Business Administration, download and open 2020 Proposed Plan.xlsx.