

## STEP 12 NOFO Q&A

**Q:** Is the consultation letter a requirement for the STEP 12 NOFO?

**A:** The consultation letter is no longer a requirement.

**Q:** The NOFO states “applicants must reflect in their technical proposal and budget narrative the use of at least 85% of their proposed federal award for the purpose of providing direct benefit to ESBCs.” I would like guidance on how the 15% can be used by the State? What State expenses are eligible for this (e.g., personnel such as budget manager, website development to receive applications)?

If, for example, we are asking for \$100,000 STEP and contributing \$25,000 cash and \$25,000 in-kind, does that mean must use 85% of \$100,000 or 85% of \$150,000 for direct benefit to ESBCs?

**A:** At least 85% of the total award amount (in this example, \$100,000) should be used for the purposes of providing direct benefit to ESBCs. The remaining 15% of the federal award may be used for personnel and fringe that support the STEP award. Indirect costs may also be counted if an indirect cost agreement is in place and approved.

**Q:** According to the NOFO: “States that do not have high export volume will be 75% and State matching funds required will be 25% of the sum of the Federal award and Recipient match amount...Matching funds must be comprised of not less than 50% cash and not more than 50% of indirect and in-kind contributions.”

If, for example, we are asking for \$100,000 STEP and contributing \$25,000 cash and \$25,000 in-kind, how much needs to go towards subawards?

**A:** The calculation in the example does not reflect the correct match calculation. For example, for an award of \$100,000, the match calculation is 0.333333% which will give you the total match award of \$33,333. In this example, \$85,000 (85% of \$100,000 federal award) must be used for purposes of providing direct benefit to ESBCs.

**Q:** Can states submit an application that exceeds the \$900,000 cap for funding to demonstrate a need for a full \$900,000 grant award consideration?

**A:** Any application that exceeds the max amount of \$900,000 will be considered “not responsive” to the Notice of Funding Opportunity requirements and will not be evaluated.

**Q:** On page 14 of the NOFO: Attachments A-10 through A-12 (Budget Detail Worksheet) – this was repeated on Page 10 of the Instructions.

“A STEP Project Director must devote 50% of their time each quarter through the duration of the grant cycle to the STEP project. The Director may not divide their time across all STEP years to meet the minimum 50% requirement.”

**A:** The Director is required per the NOFO to divide his/her time between the STEP grants that the grantee has the administration of either one or more than one grant. For a STEP Director, the state has a requirement to commit 50% of their time to that one grant. If a STEP Director is operating two overlapping STEP grants, then the requirement is to dedicate 25% to each grant.

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**Q:** Does this mean that 50% of the Director's time must be dedicated to the STEP Year 12 grant for all eight quarters ("the grant cycle")? Are we not allowed to close out early if all funds are expended?

**A: If the STEP Director is operating two grants, then the example of 25% for each grant would be in place. Yes, you can close out the grant at any time. Remember, if you're operating a single grant, you now must dedicate 50% of time to that grant.**

**Q:** The procurement of consultancy services has been removed as an allowable activity in the FY 2024 NOFO.

We recognize that STEP funds cannot be used to pay for this service. However, if the US Commercial Service is unable to assist ESBCs in a specific country market, are we allowed to hire a third party to do the work and count those costs toward match?

**A: The procurement of consultancy services has not been removed. Any consultancy company can be hired to provide services.**

**Q:** On page 13 of the NOFO, under Performance Measures & Outcomes:

"Grant recipients will be required to report performance measures achieved, activities completed, and measurable results on a quarterly basis for the full two-year award period."

Are we allowed to close the grant early if all funds are expended?

If we close the grant out early, will we be required to continue reporting quarterly for the entire 24-month period?

**A: Yes, a state can close out the grant once the funds are expended. In this case, quarterly reporting ends once the grant is closed out.**

**Q:** On Page 32 of the NOFO in Section 9.3:

"Grantees will provide the annual schedule of IBP and IBP Select trade shows to all clients who are considering or applying for domestic trade show assistance from STEP."

We approve very few domestic shows, but are the IBP and IBP Select shows the only domestic shows allowed with STEP funds? Are TEPP shows included? Do we consult the list at

<https://www.trade.gov/attend-event> to get events? (None of these events are specified as IBP or IBP Select.) If other domestic shows are allowed, is there an objective standard to assess which shows to approve (i.e. a certain percentage of international attendees, etc.)? Since US Commerce does not keep the IBP show list up to date on its website, is there a way we can obtain this list for the period covered by the grant?

**A: The STEP funds can support any domestic trade show that has an international focus. IBP Select is no longer in use. Each state has the ability to work with the small businesses to attend a domestic trade show, as long as the trade show has an international focus. Yes, TEPP shows are included.**

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**Q:** On page 24 of the Instructions for the STEP PROPOSED PLAN we are seeking clarification. In Column H (Non-Federal), do we include Salary and Fringe Match in the Non-Activity Related Expense row?

**A: The STEP Proposed Plan excel spreadsheet is only to be used to report expenses of the ESBCs. Salary and fringe are recorded and kept accounted for on the Written Budget Narrative and Detailed Expenditure Worksheet.**

**Q:** Do you have a link to the blank 424 and 424A templates?

**A: The templates are located on [Grants.gov](https://www.grants.gov).**

**Q:** Does SIDO have examples of the Contractual Section, this would be the first time we include that section, so would love to see the level of detail that is encouraged.

**A: The contractual section is only utilized when the state has paid expenses for the activity and wishes to be reimbursed.**

**Q:** What if we have a different contractor than anticipated, how do we report or change that in our grant? What happens if the contractor changes mid-program, how would they report on the change?

**A: Please notify your Program Manager if you change contractors. If this change is a budget adjustment, then a budget amendment is required.**

**Q:** I found that the instructions doc is simply the checklist document with links to include for templates for the Cover Letter and such, but the links provided does not contain any forms or templates.

**A: The instructions is a guide for you to review the screenshots provided.**

**Q:** Do we still have to make the consultation with the SBA district office?

**A: No, the consultation letter is no longer a requirement.**

**Q:** Do you mean a different instructions document from what's on [Grants.gov](https://www.grants.gov)?

**A: The instructions guide was emailed.**

**Q:**

If we are using the USFCS (GKS) to arrange B2B during a trade mission, do we need to include them in the contracting list or within the trade mission goal? And there additional requirements needed for sole source vs competitive? Do subscriptions have to be added to the contractual section?

**A: If a state pays the vendor directly for services, and request reimbursement, then it would be placed in the “contractual” category. However, if the sub awardee (ESBC) pays directly for the services, then it will go into the “other” category. In the example you provide, it would be a trade mission goal. Yes, subscriptions are paid by the state and will need to be placed in the “contractual” category.**

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**Q:** Does the team know the definition of IBP on Page 32 (Section 9.3) regarding Domestic Trade Shows? Is it published by the US Commercial Services on their website?

**A:** IBP is a Department of Commerce service.

**Q:** Thought the "instructions" documents would be the same, but they're not. Maybe they could upload the one in box and from SIDO on [Grants.gov](https://www.grants.gov).

**A:** The instructions have been emailed and it is the same document.

**Q:** I haven't been able to find any information on IBP. If there is a link to these preferred shows, I would love to have it.

**A:** IBP is a Department of Commerce service.

**Q:** Do we have a list of SIDO trade shows next year, e.g., Paris AS?

**A:** This Q&A period only pertains to the STEP 12 NOFO. Please contact SIDO for more information on SIDO services.

**Q:** Does someone have a link to the 51% US content definition and calculations?

**A:** It's located on page 27 in the NOFO.

**Q:** If a state is looking to purchase a pavilion for a trade show, would this be under contractual?

**A:** Yes, if a state pays the vendor directly for services, and request reimbursement, then it would be placed in the "contractual" category.

**Q:** Notice of Funding Opportunity Number – should we be using it on the forms when applying?

**A:** Please read the instructions.

**Q:** Is it new language (re: Top 10 states/40%) in the NOFO?

**A:** No, it's not new language.

**Q:** "Shipping of Samples" will be limited to involvement with a trade show exhibition or trade mission in Year 12. For years, ESBCs have found shipping samples to be extremely beneficial for generating new export business, whether or not it was in conjunction with exhibiting at a trade show. Could you please explain the rationale behind this decision?

**A:** The intent of shipping sample products has always been in conjunction with foreign (trade shows, trade missions, and business-to-business meetings).

**Q:** Please define the scope and limitations on International Design of Marketing Media as a STEP allowable activity.

**A:** STEP defines marketing media as the ability to promote ESBCs' products or services to strengthen their export sales potential, using any of the following: brochures; social media platforms; websites; billboards; newspapers; posters; branding and advertising.

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**Q:** Could you please provide clarity on how STEP can or cannot be leveraged to support exporting efforts by ESBCs developing and selling software, web applications and other emerging technology products?

**A:** The purpose of STEP is to carry out projects that support developing exports of products and services by ESBCs. ESBCs engaged in STEP export activities must be an export-ready U.S. company seeking to export goods or services of U.S. origin or have at least 51% U.S. content. It is the responsibility of the grantee to ensure that the ESBC has an eligible and verifiable exportable product or service.

**Q:** Can more than one company with the same owner (either individual or company) be admitted to STEP within the same grant year, if all of the other eligibility criteria is met?

**A:** No, this is not allowed.

**Q:** An April 22, 2024 memo from Shadetra Robinson, STEP Director of the SBA Office of International Trade indicated that “Efforts to create or augment marketing and advertising campaigns to draw international visitors to a State” had been removed from Not Allowable Fees for STEP funding in Section 6.3 of the STEP 12 NOFO. However, when I reviewed the NOFO itself, this language had NOT been removed. Please confirm that this language is no longer applicable for STEP 12.

**A:** “Efforts to create or augment marketing and advertising campaigns to draw international visitors to a State” is not an allowable expense for STEP funds (see page 28 of the NOFO).

**Q:** Please confirm that ESBCs can continue to use consultants to develop or prepare their export compliance plans and ISO or other certifications for their products, as allowable expenses for STEP 12 funding.

**A:** Yes, compliance testing is still an allowable activity, and you can use consultants to develop/prepare compliance plans.

**Q:** Please confirm that the consultation letter (with signatures from our local federal partners) is not required this year.

**A:** The consultation letter is not required this year.

**Q:** On page 20 of the NOFO, under “Timely Receipt Requirement and Proof of Timely Submission” it states that all application must be submitted on May 17, 2024. Please confirm that the correct date should be June 6, 2024 as indicated in other parts of the NOFO.

**A:** The correct date is June 6, 2024 at 11:59 PM ET on [Grants.gov](https://www.grants.gov).

**Q:** On Page 29, under section 8.1.6 it refers to two types of sales, but only one is listed. The second appears to be missing?

**A:** This was a typo. There is only one type of sale which is actual, and we removed projected.

**Q:** Can the SBA please clarify if the cost for required international certifications are an eligible expense, and if yes, which milestone goal is associated? For example, this might be the EU’s CE

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Mark, the UKCA mark, or other specific certifications a country/market-specific ministry or standards organization might require to sell a product or service in a particular country. Additionally, if certifications are an allowable expense, can the SBA clarify whether product testing (if required for product registration and/or certification) is an eligible expense?

**A: Compliance testing is an allowable expense utilizing milestone goal #9 (other exporting initiatives). Any exporting initiatives not listed in the NOFO will need to be approved by OIT's Associate Administrator.**

**Q:** Can the SBA please clarify if/which milestone goal might support language translation of marketing materials and marketing media? On page 6 of the NOFO, the description states “the translation of websites into foreign languages...” but one or more STEP Director’s Memos note “translation of marketing media, including audio and video.” Can the SBA clarify which milestone goal would correspond to translation of international marketing materials if it is not specifically website translation?

**A: In the NOFO, it is explained that supporting language translation of marketing materials is milestone goal #5 (website translation, SEO, localization). Marketing media is international marketing media design which is milestone goal #6. Development of a website is international marketing media design also milestone goal #6.**

**Q:** Can the SBA please consider the design of video content for the international marketing media milestone goal? Provided that the company can connect the design of the video content to their international sales (for example, for use at a booth at an international trade show, or to showcase a product for a specific market). This is increasingly utilized at trade shows as part of multi-media marketing efforts, and also used by companies on social and digital media platforms.

**A: At this time, the design of video content for international marketing media is not an allowable activity.**

**Q:** In the Year 12 instructions, it states that there is a template for the PPR on [grants.gov](https://www.grants.gov) but it seems to be missing from the package and attachments. Can we request the template of the PPR?

**A: The template will be uploaded to Box.com and the Program Managers will also email the template.**

**Q:** What is being referred within trade mission / trade shows – is this different from exhibiting at a trade show or the same?

**A: Participating and/or exhibiting at a trade show and/or mission is an allowable activity.**

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**Q:** Participate in reverse trade missions/shows. Reverse trade missions are defined as bringing foreign buyers to the United States to meet with potential suppliers of U.S. manufactured goods and services. Proposals for this activity are limited to costs borne directly by ESBCs to participate in a reverse trade mission and paid for by a STEP grantee which directly benefit ESBCs (e.g., meeting space, audio/visual support). Payment of any costs associated with travel (transportation, lodging, etc.) of foreign buyers is not allowed.

**A: The STEP funds will only support a reverse trade mission held in the state by paying for the venue/location rental and audio/visual.**

**Q:** Would we be able to get a list of the initiatives, or examples of initiatives that would require prior approval?

**A: The state must come up with what will be beneficial to the ESBC and is an initiative that the ESBC will use that is outside of the STEP allowable cost list provided (milestone goal #9). Any exporting initiatives not listed in the NOFO will need to be approved by OIT's Associate Administrator**