

# Michigan's State Trade Expansion Program (MI-STEP)

## Program eligibility and application guidelines

### SECTION 1

#### GENERAL INFORMATION ON THE MI-STEP PROGRAM

The MI-STEP program provides direct reimbursements to qualified small business concerns to develop or expand export-related activities. Interested applicants should review these guidelines prior to completing the application form.

#### A. PROGRAM PURPOSE

The MI-STEP program is designed to spur job creation by empowering Michigan small businesses to export their products. The program has three primary objectives:

- Increase export sales by Michigan companies
- Increase number of new-to-export companies
- Increase entry into new markets by companies already exporting

#### B. ELIGIBILITY

Eligible companies may qualify for up to \$12,000 (\$7,000 Tier 2; \$12,000 Tier 3) in assistance to offset 50 percent of their export marketing-related costs. Michigan companies must meet the following eligibility criteria to qualify for MI-STEP program funds:

1. Be in accordance with Small Business Administration (SBA) guidelines and size standards:  
[www.sba.gov/content/small-business-size-standards](http://www.sba.gov/content/small-business-size-standards)
2. Has demonstrated understanding of the costs associated with exporting and doing business with foreign purchasers, including the costs of freight forwarding, customs brokers, packing and shipping, per SBA guidelines
3. Have two years of domestic sales
4. Demonstrate potential for export success and positive impact on the regional economy
5. Provide an EIN number linked to a Michigan address
6. Be in good standing with the Michigan Department of Treasury and other regulatory agencies

#### C. GRANT ALLOCATION AND LIMITATION

1. Funds will be approved for specific and measurable export initiatives.
2. Applicants agree to provide quarterly MI-STEP progress reports for two years following completion of the funded activity, providing information about facilitated export sales by market. All reporting will be submitted electronically through the online customer portal.

3. Companies are reimbursed for 50 percent of pre-approved expenses (up to the program year maximum).
4. The Michigan Strategic Fund (MSF) retains final authority in the allocation of MI-STEP program funds.
5. Funds for the MI-STEP program are subject to availability.

#### D. ALLOWABLE USES OF MI-STEP PROGRAM FUNDS

MI-STEP program funds may be approved for export marketing-related activities including:

1. Participation in foreign trade missions
2. U.S. Department of Commerce services
3. Website fees (translation to foreign languages, localization to foreign markets, SEO)
4. Design of marketing media
5. International trade show participation
6. Limited domestic trade show participation  
(only approved international buyer program shows:  
<http://export.gov/ibp/>)
7. Participation in export training workshops
8. Reverse trade missions
9. Procurement of consultancy services
10. Other export initiatives (subject to approval from SBA)

#### E. EXPENSE/REIMBURSEMENT LIMITATIONS

1. Meals, entertainment, cell phone charges and personal expenses are ineligible
2. Travel reimbursement is limited to two (2) travelers
3. Travel expenses for distributors or sales representatives not employed by the Michigan company are ineligible
4. Passport and visa fees are ineligible
5. Fees for shipping products to be sold in market are ineligible
6. Fees for shipping sample products cannot exceed \$2,000 per award year
7. Expenses related to compliance testing of an existing product for entry into an export market cannot exceed \$2,000 per award year
8. Export research tool subscriptions cannot exceed \$1,000 per award year
9. Website development services cannot exceed \$3,000 per award year

## SECTION 2

### APPLICATION PROCESS

The following is a summary of the application and approval process for the Pure Michigan International Trade Program:

1. New companies complete and submit the online intake form at <http://medc.force.com/exportassistance>. Existing clients contact your regional international trade manager.
2. MEDC staff will review intake forms:
  - Qualified companies will be contacted regarding next steps
  - Companies that do not qualify will be contacted with rationale for decision
3. Pre-export companies or companies that are not export ready will be referred to service providers for training and market research to enhance their readiness.
4. New to export (NTE) and market expansion (ME) companies will be contacted by an MEDC export representative to review:
  - Information needed for the MI-STEP program application and required forms
  - Export assistance resources
5. Companies seeking export incentives will complete and submit the MI-STEP program application
6. Upon receipt and review of the MI-STEP program application, the MEDC export team will make a recommendation to the MSF fund manager:
  - Approve application and contact company for next steps, or
  - Deny application with explanation (note: denied applicants may be given feedback on how to revise and resubmit)

### PROGRAM GUIDELINES

1. Eligible expenses must be approved in advance by the international trade manager (ITM).
2. Companies must submit the MI-STEP program grant application to the ITM 30 days prior to the event/activity for which funding is sought.
3. Funding received from other government sources (grants or subsidies from any level of government) does not satisfy the company's matching requirements for this program.
4. Companies receiving funding must submit all itemized receipts and proof of payment documents associated with the event/activity within 45 days of event/activity completion, unless otherwise notified by MSF/MEDC representative.
5. Companies are required to complete MEDC's quarterly sales survey for two years following the most recent activity to track export activity results.

### DOCUMENTATION

Expense documentation is to be submitted to the MEDC for audit, review, and approval. Upon review and final approval, payment will be made by the State of Michigan to the company.

### NOTES

1. "Export ready" is defined as a company that has the commitment and ability to export products to foreign markets.
2. "Pre-export" is defined as a company that may be less than two years old and/or has not established strong domestic sales. They will be offered consultation and training to advance to Tier 2.
3. "New to export" (NTE) is defined as a company that has established strong domestic sales and has not yet become a proactive exporter. They may be new to exporting or have exported reactively.
4. "Market expansion" (ME) is defined as a company that has strategically exported and is ready to expand into new foreign markets.

Questions may be sent to [export@michigan.org](mailto:export@michigan.org).

*Dedicated to shared economic success, the MEDC promotes the state's assets and opportunities that support business investment and community vitality. The MEDC's business assistance programs and services connect companies with people, resources, partners, and access to capital.*



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[www.michiganbusiness.org](http://www.michiganbusiness.org)