



CALIFORNIA

STATE TRADE EXPANSION PROGRAM

PROGRAM GUIDELINES

TABLE OF CONTENTS

GENERAL INFORMATION _____	3
Background _____	3
Eligibility Criteria _____	3
Ineligible Applicants _____	4
Selection Criteria _____	4
Preparation Checklist _____	5
Funding Types _____	5
STEP EVENTS _____	6
Export Voucher _____	7
Allowable Expenses _____	8
Export Voucher Reimbursement Claim _____	11
Contact Information _____	11
Frequently Asked Questions _____	12
APPENDIX _____	13
TERMS AND CONDITIONS _____	13

GENERAL INFORMATION

Background

The California State Trade Expansion Program (STEP) is administered by the California Governor's Office of Business and Economic Development (GO-Biz) and funded in part through a Cooperative Agreement with the U.S. Small Business Administration (SBA).

STEP aims to boost the number of qualified small business exporters and increase the volume of goods and services they export. Eligible California small businesses can participate in up to two (2) STEP events per federal fiscal year, with potential participation in additional events based on space and funding availability. For the Export Voucher, eligible businesses can receive reimbursement for up to 75% of pre-approved expenses, capped at \$10,000 per federal fiscal year.

Eligibility Criteria

The eligibility requirements apply to all companies in a group of companies that are affiliated through having the same controlling owners. Owners of multiple businesses will only be considered for one grant.

- 1. Must be a for-profit business.**
- 2. Must be organized or incorporated in the United States of America.**
Legally licensed, in good standing, and registered entity in the United States.
- 3. Must have significant business operations in California.**
Significant operation is defined as having physical location of the business' main management or operations office, as well as substantial presence in terms of workforce, resulting in economic impact.
- 4. Products or services are made in the U.S. or have at least 51% U.S. Content.**
Content is determined by taking the total price and subtracting any costs from foreign sources, like overseas manufacturing, materials, or services. See the [content calculation formula](#).
- 5. Must manufacture, assemble and/or distribute a product or provide an exportable service. If you are not the manufacturer of the product you must have the rights to export as an authorized distributor.**
The product(s) or service(s) must be export ready and already selling in the U.S. market and/or internationally.
- 6. Must be considered a "small" business under the U.S. Small Business Administration (SBA) definition.**
SBA utilizes the [North American Industry Classification System \(NAICS\)](#) to determine company size status. All employees of affiliates, such as parent companies, subsidiaries, etc., are included in employee and annual receipts totals to determine size eligibility.
- 7. Must be registered to do business in the State of California and have a good standing with regulatory agencies.**
Corporations or Limited Liability Companies (LLCs) must be in good standing with the [California Secretary of State](#). Sole Proprietors must provide proof of registration or status. Documentation may include Business license or permit issued by the local government per www.calgold.ca.gov; or Doing Business As"

(DBA) certificate.

8. **Must be in business for at least one year at the time the approved export promotion activity takes place.**
9. **Must have sufficient resources to cover the costs associated with trade, which can include packing, shipping, freight, and customs brokerage costs.**

Note: Site visits and/or telephone interviews may be conducted to further determine a company's eligibility.

Ineligible Applicants

Businesses that meet any of the following criteria are ineligible from participating in STEP:

- Businesses acting as intermediaries for other companies (if its primary role is to sell, promote, or represent other companies' products or services, rather than its own).
- Businesses that are recruiting foreign investment.
- Derives revenue from marijuana-related activities (direct or indirect) or that support the end-use of marijuana.
- Real estate related businesses.
- Is engaged in any activity that is illegal under federal, state, or local law or that can reasonably be determined to support or facilitate any activity that is illegal under federal, state, or local law.
- Derives more than one-third of its gross annual revenue from legal gambling activities.
- Presents live performances of a prurient sexual nature or derives more than a de minimis amount of revenue from the sale of products or services of a prurient sexual nature.
- Is listed on the [California Department of Tax and Fee Administration Tax Delinquencies](#) list.
- Is found to be actively participating in the STEP program of another U.S. state.

Selection Criteria

- Evaluation of the STEP application will be based on the following criteria:
 - Applicant's responses are complete and thorough. The applicant demonstrates an excellent understanding of the questions and responses are well-formulated.
 - Export readiness of the business.
 - Proposed export promotion activity
- Preference will be given to the following applicants:
 - First-time eligible applicants to STEP.
 - Eligible participants that are "new to export," as defined in the application.
- Funding will be granted based on availability, the number of applications submitted, and the merits of those applications. Applications that are submitted after the deadline or that are incomplete will *not* be considered.

Preparation Checklist

Please have the following information ready for the application:

- [California Secretary of State](#) entity number (for corporations or LLCs)
- Copy of business license (for sole proprietors)
- Primary six-digit [North American Industry Classification System Code \(NAICS\)](#)
- Total number of employees and employees based in California (including those of affiliated companies i.e., parent companies)
- Annual receipts (including those of affiliated companies i.e., parent companies)
- History of exporting (if applicable)
- Past STEP funding results (if applicable)
- Review the [Application Instructions](#) before starting the application process

Funding Types

- **STEP Events**

A “STEP Event” is a pre-selected trade show, often a California state pavilion, or mission organized by GO-Biz or in collaboration with trade promotion partners.

- **Application Timeline:** Ongoing basis. Each STEP Event has its own registration deadline.
- **Eligible Activities:** View [supported events](#).
- **Funding Amount:** Varies by STEP Event. It may be a participation fee where GO-Biz subsidizes majority of the cost or a set funding amount.
- **Application Restriction:** Up to two (2) STEP events per federal fiscal year, with potential participation in additional events based on space and funding availability.

- **Export Vouchers**

Export Vouchers provide individual grant reimbursements for a company’s planned export promotion activities. Companies can propose their own activities and receive a cost reimbursement of up to 75%.

- **Application Timeline:** View [Round Application Timeframes](#).
- **Eligible Activities:** Listed on [page 8 through 11](#).
- **Funding Amount:** \$500 - \$10,000 per federal fiscal year.
- **Application Restriction:** One application per round, or until the maximum amount of \$10,000 has been awarded.

- **Export Training**

Training workshops and education courses that have a direct benefit to gaining knowledge.

- **Application Timeline:** Ongoing basis.
- **Eligible Activities:** Training workshops, export course certifications.
- **Funding Amount:** Varies by training program.

STEP EVENTS

STEP Events are export promotion activities led by GO-Biz and/or partners that offer California businesses the ability to connect to international sales opportunities in foreign markets. STEP Events consist of virtual or in-person Foreign Trade Missions, International Trade Shows, Product Showcases and Seminars, and other export-focused matchmaking programs.

STEP Event Benefits

- Reduce costs to participate in costly international trade shows or missions.
- Leverage the California brand for added marketing and visibility.
- Access to turnkey booth exhibitions and minimize logistics planning.
- Leverage global networking opportunities that come with exhibiting within California Pavilions.
- Network and connect with other California companies to share best practices, collaborate, and/or share tricks of the trade.

Application Timeline	Ongoing basis. Each STEP Event has its own registration deadline.
Eligible Activities	View supported events .
Funding Amount	Funding for STEP Events is pre-determined and will vary by event. It may be a participation fee where GO-Biz subsidizes a majority of the cost or a set funding amount.
Application Restriction	Up to two (2) STEP events per federal fiscal year, with potential participation in additional events based on space and funding availability.
Application Process	<ul style="list-style-type: none"> • Step 1: Identify STEP Event and review the information • Step 2: Submit a “STEP Event” application via the Grant Portal • Step 3: Await GO-Biz’s review and notification of application status
Selection Process	Due to limited space and availability, there may be additional considerations for event participation (e.g. the company must also receive participation approval from the U.S. Commercial Service for events organized by that entity).

EXPORT VOUCHER

Export Vouchers allow eligible companies to propose their own export promotion activities for a **reimbursement of up to 75% of pre-approved expenses, with a maximum reimbursement of \$10,000.**

Requests for retroactive activities, i.e., activities the business has already completed, will NOT be considered for reimbursement.

Funding Criteria

- Application submission is *not* a guarantee of funding. If a business decides to expend funds before receiving confirmation of an Export Voucher, they may not be reimbursed.
- Export Vouchers will be awarded until all available STEP funds have been disbursed, or when the Export Voucher application has closed, whichever comes first.

Application Timeline	Applications for Export Voucher(s) must be submitted 2-3 weeks prior to the planned activity concluding or taking place within the appropriate application round .
Eligible Activities	View Allowable Expenses
Funding Amount	Reimbursement of 75% of the eligible expenses (automatic 25% cash match) <ul style="list-style-type: none"> • Minimum: \$500 • Maximum: \$10,000
Application Process	<ul style="list-style-type: none"> • Step 1: Review Allowable and Ineligible Expenses • Step 2: Submit a “Export Voucher” application via the Grant Portal • Step 3: Await GO-Biz’s review and notification of status
Application Restriction	One application per round, or until maximum has been awarded.
Selection Process	The Export Voucher is a competitive application and GO-Biz may award a small business with an Export Voucher reimbursement of a lesser amount than requested in the application. Export Voucher amounts will be based on a number of criteria, including the strength of the application, the number of applicants, and the availability of funding.
Reimbursement Process	<ul style="list-style-type: none"> • Step 1: Company performs pre-approved activity and incurs expenses • Step 2: Document participation of the activity (invoice, photos, etc.) • Step 3: Submit reimbursement request within 14 days of completion • Step 4: Await GO-Biz’s review and approval • Step 5: Receive physical check (estimated 45-60 days)

Allowable Expenses

Activities must clearly target an international market. All expenses must be proposed during the application process and pre-approved by GO-Biz. Any changes to the use of funds must be approved by GO-Biz.

International Trade Shows

Eligible Costs

- ✓ Booth Space, Design, and Construction
- ✓ Furniture and Equipment Rental
- ✓ Lighting and A/V Services
- ✓ Event Marketing and Promotion
- ✓ On-site Translation and Interpretation Services
- ✓ Shipping and Logistics

Ineligible Costs

- ✗ Travel related expenses (transportation, meals, lodging)
- ✗ Purchase of non-disposable furnishings, or swag items
- ✗ Any type of printing fees
- ✗ Walking trade shows

Proof of Activity

- Photo of the entire booth; photo of employees or representatives manning the booth during the event
- Photo or screenshot of company listing in the show exhibitor's guide

International Trade Missions*

Eligible Costs

- ✓ Participation Fee

Ineligible Costs

- ✗ Travel related expenses (transportation, meals, lodging)

Proof of Activity

- Meeting schedules/agendas issued by the mission organizer
- B2B matchmaking itineraries (e.g., from the U.S. Commercial Service, show organizers, or trade offices)

**Funds requested for a Trade Mission must be accompanied by an agenda and a detailed breakdown of the participation fee. Applicants must upload to the "Required Documents" section at the time of application.*

U.S. Commercial Service

Eligible Costs

- ✓ Gold Key Service
- ✓ Initial Market Check
- ✓ International Company Profile
- ✓ Single Company Promotion
- ✓ See [All Services](#)

Ineligible Costs

- ✗ Travel related expenses (transportation, meals, lodging)
- ✗ Other direct costs not included in the service fee

Proof of Activity

- Midterm or final report (if applicable)
- Meeting schedule (if applicable)
- Confirmation or Acknowledgement Letter

Export Credit Insurance

Eligible Costs

- ✓ EXIM Premium Fees
- ✓ Private Credit Insurance Fees

Ineligible Costs

- ✗ Fees outside the fiscal period

Proof of Activity

- Insurance Policy
- Payment Receipts

Domestic Trade Show

Cap of \$5,000

Eligible Costs

- ✓ Booth Space, Design, and Construction
- ✓ Furniture and Equipment Rental
- ✓ Lighting and A/V Services
- ✓ Event Marketing and Promotion
- ✓ Shipping and Logistics

Ineligible Costs

- ✗ Travel related expenses (transportation, meals, lodging)
- ✗ Purchase of non-disposable furnishings, or swag items
- ✗ Any type of printing fees

Proof of Activity

- Photo of the entire booth; photo of employees or representatives manning the booth during the event
- Photo or screenshot of company listing in the show exhibitor's guide
- List of international leads made at the event
- List of matchmaking activities attended (if any)

**Funds requested for Domestic Trade Shows must demonstrate at least 25% of international attendance and include a meeting schedule with foreign companies. Applicants must upload this documentation to the "Required Documents" section at the time of application.*

Compliance Testing & Product Registration

Cap of \$5,000

Eligible Costs

- ✓ Testing and Certification Fees
- ✓ Product Registration Fees
- ✓ Market-Specific Labeling and Packaging

Ineligible Costs

- ✗ Cost associated with the domestic market

Proof of Activity

- Test Reports
- Certificates of Compliance
- Product Registration Certificates

Website Globalization & E-Commerce

Cap of \$5,000

Eligible Costs

- ✓ Multilingual Website: Develop website in multiple languages
- ✓ Local SEO Optimization: Optimize for local search engines
- ✓ E-Commerce and Online Marketplaces: international e-commerce platforms and local online marketplaces
- ✓ Local Payment Gateways: Integrating with local payment gateways

Ineligible Costs

- ✗ Activities completed by staff on payroll
- ✗ Design of a company's website
- ✗ Costs associated with regular website maintenance
- ✗ E-Commerce that only targets U.S. audiences

Proof of Activity

- Website localization report (languages supported, cultural adaptations made, content translation efforts)
- International SEO report (keyword research meta tags, other SEO-related metrics)
- E-Commerce configuration report

International Marketing Materials*

Cap of \$5,000

Eligible Costs

- ✓ Translation Services: translating materials to appeal to target audience
- ✓ Marketing Brochures: creating brochures tailored to local market (brochures in English are not eligible)
- ✓ International Advertising: targeted ad campaign on local media channels:
 - Billboards
 - Newspaper ads
 - Advertisements in international magazines
 - Posters
- ✓ Content Marketing: producing content in local languages for target market
- ✓ Email Marketing: targeted email campaigns tailored to local preferences

Ineligible Costs

- ✗ Activities completed by staff on payroll
- ✗ General company advertisement
- ✗ Printing costs
- ✗ Sponsorships

Proof of Activity

- Marketing reports (target markets, campaign details, key performance indicators)
- Dated screenshots of analytical data reflecting the specific campaign with geographical target
- SEO Implementation report (with links & language of region targeted)

**For application of funds to be used on International Marketing Material/Website Globalization, the STEP Administration may request a scope of work or detailed quote from a third party that will perform the proposed activity (The third party must have an active website and be able to provide proof of validity upon GO-Biz's request. Applicants must upload to the "Required Documents" section at the time of application.*

Intellectual Property Cap of \$2,500	
Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ✓ International Trademark Registration ✓ Foreign Patent Filing ✓ Foreign Copyright Registration ✓ Local IP Compliance 	<ul style="list-style-type: none"> ✗ Intellectual property targeting the domestic market
Proof of Activity	
<ul style="list-style-type: none"> • Certificates • Registrations • Agreements 	

Ineligible Expenses

GO-Biz will not consider the ineligible costs documented in the categories above, plus the following:

- Meals, lodging, transportation, or other expenses associated with travel
- General business operation expenses (rent, equipment, inventory, general marketing, payroll, etc.)
- Activities completed by staff on payroll
- Activities solely focused on the domestic market
- Activities being transacted in [sanctioned/embargoed countries](#)
- Payments to those affiliated with the company. Review how SBA determines affiliation: [§ 121.103 \(f\)](#)

Export Voucher Reimbursement Claim

Businesses must submit comprehensive reimbursement claims for eligible activities no later than **14 days after the last activity concludes**. For each individual expense, you must submit an invoice, proof of payment, and proof of activity along with the reimbursement form that combines the activities.

1. **Invoices** - All activities will require an invoice
2. **Proof of Payment** – Proof of payment is mandatory for all expenses
3. **Proof of Activity** – Documentation verifying the attendance/implementation of the activity
4. **Reimbursement Form** – Provided via the STEP Portal

See detailed information at [STEP Reimbursement Instructions](#). GO-Biz maintains ultimate discretion in approving and reimbursing funds, with final authority to determine the sufficiency of submitted materials.

Contact Information

For program or technical questions regarding the online application, please email STEP@gobiz.ca.gov.

FREQUENTLY ASKED QUESTIONS

Q: My entity status with the California Secretary of State is not active, am I still eligible?

A: No. We cannot move forward with an application until the status with the California Secretary of State is active. For more information on why your business entity is suspended/forfeited and how to revive it, please visit sos.ca.gov.

Q: I need a NAICS code to apply, but am not sure what it is?

A: Contact the North American Industry Classification System (NAICS) office, to help determine the primary code. Email naics@census.gov or call (888) 756-2427.

Q: Can two businesses with the same owner or parent company be eligible to receive STEP funding in the same year?

A: No. If two or more businesses are owned by the same parent company, then the parent company is the applicant and is eligible for only one award per funding period. Please note that the parent company must also meet the STEP eligibility requirements, factoring in its own business size/revenue and those of its subsidiaries.

Q: Can I use STEP funding to help start a business?

A: No. STEP funds are not business start-up funds. Eligible companies must be in business for a minimum of one year prior to participating in the STEP program. If you are new-to-export, you will need to demonstrate that your business has an export strategy in place.

Q: Is STEP only for businesses that already export?

A: No, the grant is designed to help businesses that are new to exporting and those that are looking to expand their export activities.

Q: I applied, when will I hear if my application was approved?

A: It typically takes two to three weeks to review applications. A panel reviews the Export Voucher applications. If you have not heard back after three weeks, email STEP@gobiz.ca.gov for an update.

Q: Do I have to pay back any funding that is received?

A: No, these are grant funds, so no payback is necessary. Please note, however, that this is a reimbursable grant. That means that the company will incur costs for the pre-approved activity or activities before receiving the grant reimbursement.

Q: Are the grant funds taxed?

A: Please consult with your tax professionals and/or legal counsel to ascertain the tax impact of the cash awards.

Q: If I have been pre-approved for the Export Voucher but want to add or change activities, should I submit a new application?

A: Avoid submitting a new application. Instead, contact STEP@gobiz.ca.gov with the details of the activity you would like to implement, and it will be reviewed for consideration.

APPENDIX

TERMS AND CONDITIONS

When applying on the online STEP grant portal, applicants will be prompted to sign and submit the terms and conditions included below. This appendix is provided for your awareness, the required form is included as part of the online application process.

California State Trade Expansion Program Grant Agreement

This California State Trade Expansion Program (STEP) Grant Agreement (“Agreement”) is between the applicant _____ (the “Company”), and California’s Governor’s Office of Business and Economic Development (“GO-Biz”).

In consideration of the mutual covenants and promises in this Agreement, the Parties agree as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall be the date that this Agreement is signed and submitted by the Company as part of their STEP grant application.
2. **The Application.** The Company agrees to be bound by all statements and terms in the California State Trade Expansion Program (STEP) application submitted by the Company to GO-Biz, including without limitation to the Program Guidelines, which is hereby attached and incorporated by reference as Exhibit A.
3. **Eligibility.** The Company understands that failure to materially satisfy the criteria used to establish eligibility for the STEP grant will result in a full recapture of the grant award.
4. **Funding Process.** The Company agrees to provide GO-Biz with supporting documents for all export promotion expenses being requested for reimbursement. Supporting documentation includes but is not limited to invoices, receipts, bank statements, proof of activity, and other valid forms indicating proof of activity completion.
5. **Reporting Requirements.** The Company agrees to provide regular updates via survey(s) on the use of the grant funds. Surveys will be sent every six months for up to 3 years. Surveys will include information on export sales data, jobs created, jobs retained, and any other information reasonably requested by GO-Biz.
6. **Material Breach.** A material breach for purposes of this Agreement shall include, but not be limited to:
 - a. Material misstatements in any information provided to GO-Biz as part of the application, and if applicable, reimbursement process and/or after this Agreement is signed.
 - b. Duplication of funds by receiving financial assistance from multiple sources for the same expense.
 - c. Seeking additional funds for the same activity or event from other states’ STEP programs.
 - d. Making substantial deviation to the proposed activities in the application without approval from GO-Biz.
 - e. Failure to timely furnish the documents requested by GO-Biz relating to the Company’s compliance with this Agreement.
7. **Recapture.** GO-Biz will notify the Company in writing of the breach and provide the Company with the opportunity to cure the breach within thirty (30) calendar days or such longer period as mutually agreed to in writing between the Parties. If the Company fails to cure the breach within the prescribed timeframe, GO-Biz will notify the Company of the failure and may seek to recoup the funds. If the Company fails to cure the

breach, it will automatically be ineligible for future funding opportunities.

8. **Public Records.** The Company acknowledges that GO-Biz is subject to the California Public Records Act (PRA) (Gov. Code, § 7920.000 et seq.). This Agreement and materials submitted by the Company to GO-Biz may be subject to a PRA request. In such an event, GO-Biz will notify the Company, as soon as practicable that a PRA request for Company's information has been received, but not less than five (5) business days prior to the release of the requested information to allow the Company to seek an injunction. GO-Biz will work in good faith with the Company to protect the information to the extent an exemption is provided by law, including, but not limited to, notes, drafts, proprietary information, financial information, and trade secret information. GO-Biz will also apply the "balancing test" as provided for under Government Code section 7922.000, to the extent applicable.
9. **Indemnification/Warranty and Disclaimer/Limitation of Liability.** The Company shall defend, indemnify, and hold GO-Biz and the FTB, its agents or assigns, harmless from and against all claims, damages, and liabilities (including reasonable attorneys' fees) arising from this Agreement due to Company's breach of this Agreement, or the result of Company's negligence or willful misconduct. UNDER NO CIRCUMSTANCES WILL THE STATE OF CALIFORNIA, GO-BIZ, ITS AGENTS OR EMPLOYEES, THE COMMITTEE MEMBERS, ANYONE ELSE INVOLVED IN THIS AGREEMENT BE LIABLE TO THE COMPANY FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT ARISE FROM THIS AGREEMENT.
10. **Integration.** This Agreement (including the exhibits attached hereto and any written amendments hereof executed by the Parties) constitutes the entire Agreement between the Parties related to this Agreement and supersedes all prior agreements and understandings, oral and written, between the Parties with respect to this Agreement described herein.
11. **Representation on Authority of Parties/Signatories.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized and that this Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.
12. **Governing Law and Consent to Jurisdiction.** This Agreement will be governed, construed, and enforced according to the laws of the State of California without regard to its conflict of laws rules. Each party hereby irrevocably consents to the exclusive jurisdiction and venue of any state court located within Sacramento County, State of California in connection with any matter arising out of this Agreement or the transactions contemplated under this Agreement.

Applicant Name

Title

Applicant Signature

Date