



DCCED's International Trade Assistance Grant (ITAG)



U.S. Small Business Administration
Funded in part through a grant with the U.S. Small Business Administration.

December 18, 2023 – September 29, 2024

Administered by the State of Alaska Department of Commerce, Community, and Economic Development, Office of International Trade

Program Guidelines and Instructions

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Introduction

The Alaska Department of Commerce, Community, and Economic Development (DCCED) administers the International Trade Assistance Grant (ITAG) through its Office of International Trade (OIT). This reimbursement-style program seeks to increase the number of small businesses in Alaska that export. The program is funded by the U.S. Small Business Administration's (SBA) State Trade Expansion Program (STEP) and is used to help businesses offset the cost of certain export-related expenses.

The Small Business Jobs Act of 2010 created the State Trade Expansion Program. Through awards to U.S. states and territories, SBA STEP helps small businesses overcome obstacles to exporting by providing grants to cover costs associated with entering and expanding into international markets. In the past ten years, the SBA has awarded \$215.5 million in 388 grants to all 50 U.S. States and six territories. This year, 2023, marks the 11th year of STEP funding awards and the first award for Alaska in six years.

Eligibility

An Eligible Small Business Concern (ESBC) is a company/firm that meets and adheres to the following criteria:

- A for-profit business headquartered and registered to do business in Alaska.
- 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.
- In business for at least one year.
- Meets the [SBA size standards](#).
- Have access to sufficient resources to bear the costs associated with trade.
- Have a product or service for export that contains at least 51% United States content (see calculation table within guidelines document).
- Not presently debarred, suspended, proposed for disbarment, declared ineligible and/or voluntarily excluded from participation by any federal department or agency.
- Has a valid Unique Entity ID (UEI) issued by SAM.gov and has an active SAM.gov Registration. Proof provided must show that the business or business owner is not debarred from participation in a grant program by any Federal department or agency.
- Hold an active business license and entity registration (if applicable) with the State of Alaska.
- Site visits and/or telephone interviews may be conducted to further determine a company's eligibility.

Ineligible industries (include but are not limited to):

- Businesses acting as intermediaries for other companies
- Law firms
- Non-profit organizations
- Educational institutions
- Companies involved with cannabis
- Retail
- Companies that are recruiting foreign investment

How to Determine United States Content for Manufactured Goods

U.S. content for manufactured goods = (ex-factory price of a good) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

ex-Factory Price of Good		\$100
- aggregate value contributed by non-U.S. or foreign sources	Manufacturing costs (payment to foreign contract manufacturer)	-\$25
	Value of all foreign-supplied parts/inputs/materials	-\$20
	Foreign administrative costs	-\$2
	Foreign transportation and logistics costs (up to factory door)	-\$2
	Licenses, royalties, and fees paid for foreign intellectual property	-\$0
= U.S. Content		\$51

How to Determine United States Content for Services

U.S. content for services = (contract value of the service, whether delivered in the U.S. or overseas) minus (aggregate value contributed by non-U.S. or foreign sources (e.g., costs or payments to foreign suppliers/providers/employees not resident in the United States)).

Contract value of the service		\$100
- aggregate value contributed by non-U.S. or foreign sources	Staffing costs of foreign subcontractor	-\$25
	Value of foreign inputs/materials used to execute contract	-\$15
	Foreign based legal and administrative costs	-\$9
= U.S. Content		\$51

The following links may also be helpful in determining your U.S. content: [EXIM Bank Calculator – Manufactured Goods](#), [EXIM Bank Calculator – Services](#) and [EXIM Bank Content Policies](#).

Program Overview

Applications are processed and awarded on a rolling first-come, first-served basis until all funds are expended. Applications must be submitted at least 30 business days before the start of any intended activity. Any application that is received incomplete will not be considered. A grant agreement must be signed before initiation of covered activities. **Expenses incurred by a company prior to an ITAG grant award and execution of a grant agreement are not eligible expenses and will not be reimbursed.**

Allowable Uses of Funds

ITAG funds can be used for the following export-related activities:

- Participation in foreign trade missions:** A foreign trade mission is defined as travel to a foreign country or participation in a virtual event by companies that will enable them to explore or expand international business opportunities. It can be organized by the state or an outside service provider. As a result of participating in foreign trade missions using grant funds, companies are expected to yield tangible outcomes, such as seeking out potential international buyers and increasing export sales volume.

- **Subscription services provided by the U.S. Department of Commerce:** Grant recipients may elect to utilize the services available from the U.S. Commercial Service, the trade promotion arm of the U.S. Department of Commerce's International Trade Administration, to assist with entering or expanding their markets; choosing the best market for their products or services; evaluating prospective foreign business partners; increasing market potential; and gold key matchmaking services.
- **Payment of international website fees:** Grant funds can be used for translating websites into foreign languages, localizing websites to foreign markets, and search engine optimization for foreign markets.
- **Design of international marketing media:** Marketing media is used to promote a company's product or service to strengthen its export sales potential, ability to reach its target audience, and/or export market opportunities using brochures, social media platforms, websites, billboards, newspapers, branding and advertising, posters, advertisements in international magazines, or other media approved in advance by DCCED.
- **International trade show exhibition:** A company can apply for reimbursement to showcase and demonstrate its products and services at an international trade show. This includes foreign trade shows for company export development and domestic trade shows. Special rules apply for domestic trade show participation. Please reach out to the ITAG Program Manager for details.
- **Participation in export training workshops:** To use grant funds, training workshops and education courses must have a direct benefit to, and assist, companies with gaining credible knowledge of export policies, regulations, and/or best practices. Outcomes, such as export plans, strategies, and best practices handouts should be deliverables.
- **Procurement of international consultancy services:** This activity is only allowable after company consultation with DCCED and the U.S. Department of Commerce to avoid duplication of services. Eligible expenses can include consultant fees, market research fees, certification and compliance testing fees, and licensing fees.

Ineligible Expenses

Ineligible expenses include but not limited to:

- Airfare that is does not conform with the [Fly America Act](#);
- Airfare that is not coach/economy;
- Immunizations;
- Salary or payroll;
- Association or membership fees;
- Cellphones and cellphone charges;
- New product development or alteration of existing products;
- Visa and passport fees;
- Construction or renovation of facilities or acquisition of real estate;
- Litigation, whether civil, criminal, or administrative;
- Providing matching contributions to any other Federal awards;
- Activities that are being funded or subsidized by other organizations;
- Meals, lodging, per diem, or other expenses associated with local travel. Local travel is any travel conducted entirely within a 50-mile radius of your organization's address of record;
- Travel by elected officials; and
- Costs associated with printing materials.

Important Program Specifics

- There is an obligatory company cash match for each reimbursement award. In other words, companies will be reimbursed up to 75% of eligible expenses. The company cash match may not come from any other federal government source. There is a maximum reimbursement amount of \$10,000 per company for each grant performance period.
- The minimum award amount is \$1,000. Applications for expenses that equal less than the minimum award amount (after the company match is calculated) will not be awarded. Eligible export activities can be combined under one application to reach the minimum award amount.
- Applications must be for activities that will conclude prior to September 29, 2024.
- Companies must be either “new to export (NTE)” or engaging in “market expansion (ME)” —that is, the event/activity must help them to enter a new market or expand where they do not already have significant export sales.
- Companies will only be reimbursed for the approved activity and approved expenses stated in the award notification. Applicants must notify the ITAG Program Manager immediately if they are unable to complete an activity that has been awarded.
- If you do not submit all the necessary documents by the award expiration date, the ITAG Program Manager retains the right to revoke your award.
- The SBA requires the State to report on all grant recipients after their activity has concluded. Your company will be required to fill out quarterly reports for the duration of the program performance period (September 29, 2025). **Not completing the reporting requirements will result in your company being ineligible to receive future grants from the ITAG program, forfeiture of any remaining grant funds under ITAG, and reimbursement to DCCED of grant funds already expended.**
- These terms and conditions are subject to change without notice based on funding availability and changes in federal and state procedures and laws.

Evaluation Process

DCCED staff will review all applications and make a determination regarding the applicant’s eligibility within 30 business days of receipt of the application. Incomplete applications will not be reviewed. Applications will be evaluated based on several factors including availability of funds, the number of applications submitted, the merits of a given application (including the export readiness assessment for NTE companies and strategic export plans for ME companies), the projected sales resulting from the activity, and, if applicable, an applicant’s prior engagement with the program rules and requirements. Per the SBA guidelines, priority will be given to applications received from the following types of small businesses: businesses owned and controlled by socially and economically disadvantaged individuals, women-owned or veteran-owned businesses, businesses located in one of Alaska’s 25 Opportunity Zones, and businesses located in rural Alaska (defined as anywhere outside of the Municipality of Anchorage).

Application Checklist

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Form	<input type="checkbox"/>
SBA Self-Representation as an Eligible Small Business Concern	<input type="checkbox"/>
DCCED Small Business Survey	<input type="checkbox"/>
Proof of Active SAM.gov Registration	<input type="checkbox"/>
ITAG Program Application	<input type="checkbox"/>
Optional: If your company already has an Export Readiness Assessment from an outside source, please include it with your application.	<input type="checkbox"/>
Optional: If your company already has a Strategic Export Plan from an outside source, please include it with your application.	<input type="checkbox"/>

Confidentiality Statement

All documents submitted to DCCED, including applications, are public records governed by the Alaska Public Records Act, AS 40.25.110 – 40.25.295. Information disclosed to DCCED that is claimed as confidential or proprietary may be exempt from production under the Alaska Public Records Act. If you wish to have information treated as confidential, you must identify the information and mark it as confidential. All applicants should review the Alaska Public Records Act to determine what information may be exempt from disclosure.