

GUIDELINES

New York State Global NY Grant Fund



State of New York
Kathleen C. Hochul, Governor

Empire State Development
Hope Knight, President & CEO

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Guidelines

New York State Global NY Grant Fund

Program

The New York State Global NY Fund will be administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"). It will offer assistance to companies and non-profit organizations to increase the export of New York's products and services to foreign markets. Grants for export assistance help New York State's private sector to identify and develop export markets and increase their sales, thereby creating and retaining jobs. The fund will also support economic development organizations (EDO's) with expenses related to Foreign Direct Investment (FDI) attraction activities. FDI projects are activities intended to assist in the attraction of investors located outside of the United States into New York State.

Empire State Development Corporation has allocated \$1.5 million to be used to provide grants no less than \$5,000 and up to \$25,000 for eligible NYS small- and medium-sized businesses and up to \$100,000 for qualifying NYS not-for-profit organizations. The grant will reimburse up to 50% of for-profit eligible total project costs and 75% of not-for-profit EDO eligible total project costs to support activities that will lead to more companies exporting or a higher volume of export sales. For FDI projects, the maximum award per grant is \$100,000. Applications will be accepted on a rolling basis, and reviewed and approved internally by ESD. Program funds will be disbursed through ESD only on a reimbursable basis after the program activity has been completed and all required documentation has been submitted to ESD. Applicants may include a single eligible activity or multiple activities in their application, which could then be completed throughout the current or following State fiscal year (April 1st – March 31st). Each of the 10 Regional Economic Development Councils (REDCs) will be encouraged to promote the Fund within their regions.

Eligible Costs cannot be incurred prior to the date of ESD's approval of the grant, with the exception of trade show booth deposits and related costs, which can either be used as part of the organization's cash match or reimbursed depending on the structure of the organization's cash match. ESD reserves the right to review and approve or reject applications based on Applicant Eligibility Criteria (set out below), Application Requirements (set out below), and internal guidance.

The following eligibility criteria must be met in order to apply for the Global NY Grant Fund:

Applicant Eligibility Criteria

- **Applicant must contact Global NY** and notify an ESD International Trade Manager (ITM) about their project prior to submittal of a complete application. Contact information for the regional ITMs are available here: <https://esd.ny.gov/global-ny-team>.
- For-profit small- and medium-sized businesses entity must be located in New York State and:
 - Must have 500 or fewer employees in New York State
 - Have an exportable product or service
 - Prepared to begin exporting or expand export sales in foreign markets
 - 51% of the value of finished products or services originates in New York. This calculation is to include the value of raw materials and component parts, manufacturing process

- and manufacturing/production overhead costs, designs and other intellectual property, and other production value added in NYS.
- Business is viable and in existence for at least one year by the date of application for the Global NY Grant Fund.
- Demonstrated need for grant assistance
- Applicant has demonstrated understanding of costs associated with exporting and doing business with foreign buyers, including costs of freight forwarding, customs brokers, packing, shipping, marketing, etc. Applicant may be asked to provide an “Export Readiness Score” by completing the U.S. Department of Commerce’s Export Assessment available on-line at <https://www.trade.gov/exporter-assessments>
- At least \$50,000 in annual revenue.
- Not-for-profit organizations, including, but not limited to, economic development corporations, trade or industry associations, chambers of commerce and other non-profit organizations that promote economic development or international trade:
 - Must be located in New York State;
 - Have a demonstrated history of helping New York State businesses export and/or contribute to state or regional economic development through the promotion of international trade;
 - A not-for-profit organization receiving a grant from ESD must be or become registered and up-to-date with its filing with the Office of Attorney General’s Charities Bureau (“OAG”), certified in the Office of the State Comptrollers’ VendRep System (“OSC”), pre-qualified with New York State Grants Gateway, and in compliance with all other relevant statutory requirements,
 - An unincorporated trade association may be a co-applicant with a NYS not-for-profit organization, IDA or LDC, but the latter entity must be the contractual party if a grant is awarded.

Eligible Use of Funds

Grant funds may be used to develop export capacity, enter new export markets and/or maintain and expand sales in existing foreign markets. The purpose is to increase New York State’s competitiveness in the global economy, while retaining and creating jobs in New York. Reimbursable costs cannot be incurred prior to ESD approval of the grant, with the exception of trade show booth deposit costs and related costs. No costs will be reimbursed for activities that were completed prior to grant approval.

Per diem rates excluding meals and incidentals are published for “lodging” costs and are based on the local U.S. city and/or foreign country. Federal per diem rates are updated annually and are available at:

Domestic travel - <http://www.gsa.gov/portal/category/100120>

International travel - https://aoprals.state.gov/content.asp?content_id=184&menu_id=78

Lodging: Up to four travelers may be reimbursed up to 50% for eligible lodging costs not to exceed the federal per diem allotment. Reimbursements are based on the actual lodging costs. Dates must correspond with tradeshow exhibit dates and/or other supporting documents (e.g., for ESD’s EMAS program or a Gold Key service).

Days of travel: Eligible travel days that can be considered for reimbursement or as part of a company or organization's budget include two nights prior to the tradeshow/event and one night after. Travel/lodging taking place beyond this will not be accepted unless a written statement is submitted and approved by Global NY/ESD.

Up to four travelers may only be reimbursed up to the cost of a full-fare, economy (coach) class ticket. If business or first-class tickets are purchased, companies will need to submit a travel agent's written quotation for the economy ticket for the same dates and itinerary.

Export promotion tools may include, but are not limited to, the following:

- **Market Customization** including translation of web/printed materials for a targeted foreign market, design services, international marketing/advertising in a foreign market, etc.;
- **Trade Shows/Conferences/Meetings/Missions** including attendance at U.S. Department of Commerce- or ESD- approved international or domestic trade shows with a significant international presence (including International Buyer Program shows); international trade conferences; organized business meetings with potential foreign buyers/distributors, such as EMAS Plus or a Gold Key service; and/or ESD and non-ESD organized trade missions. Grants may cover booth space, exhibition costs, shipping costs, plus travel and lodging expenses subject to published federal GSA per diem rates.
- **Export Education & Capacity Building** including international and export-related conferences, seminars, webinars, and courses for employees who will be developing or implementing the company's international export strategy; also, learning opportunities that increase a company's export capacity and/or growth within a specific market;
- **Product Adaptation and Market Certification** to enable eligible businesses to enter a foreign market successfully, including modifying a product line to conform to mandatory foreign government regulations, geographic conditions, buyer preferences, product labeling and packaging, and other export requirements. This category is limited to those issues that are considered to be required in order to export and not part of the manufacturing process;
- **Export Development Projects** including projects designed to encourage and assist NYS businesses or industry groups to engage in exporting and/or to coordinate other State economic development programs with such projects, including technical and financial assistance. These may include, but are not limited to, export market analysis; export promotion; participation in trade shows or trade missions; export/trade education; export trade finance or export-related technical assistance.
- **Export Management and Compliance** to enable businesses to comply with export control policies and regulations including export related technical assistance with risk assessments / audits, development of an export compliance manual, export training, export compliance manuals, documentation and reporting, eligible international intellectual property protection fees, as well as export compliance security and screening measures.

Examples of Eligible Uses of Funds:

For-Profit

- Company A wants to exhibit at international trade shows in Mexico City and Toronto in 202X and conduct a marketing campaign before, during, and after they exhibit at the trade shows
- Company B would like to sell their product in the European market but must have their product certified to meet EU safety standards before they can begin exporting
- Company C would like to sell into the Chinese market and wants to create a Chinese version of their website (including full language translation) to effectively sell their products

Not-for-Profit

- **Organization A seeks funding for 10 NYS companies to exhibit at a shared pavilion space at a domestic trade show with confirmed international buyers**
 - *Identify international trade show or domestic trade show with international buyers to lead NYS companies for them to exhibit*
- **Organization B wants to sponsor a series of export training and education events for 20 NYS companies over 10 weeks**
 - *Identify third party to conduct the export training for a set number of NYS companies*
- **Organization C wants to sponsor export consulting services for 40 NYS companies over the next year**
 - *Identify third party to conduct export consulting services for a set number of NYS companies*

Ineligible Use of Funds

Ineligible uses of grant funds include, but are not limited to:

- Costs incurred prior to ESD's approval of the project with the exception to trade show booth deposits and related costs
- An organization's utility costs, taxes, debt, or insurance premiums
- Personnel expenses related to a project
- Administration of grant funds
- Legal services
- Meals and incidentals, passports, visas, or immunizations related to trade events or international travel
- Expenses related to entertaining current or potential clients or government officials
- Standard business supplies
- Business Class or First Class airline tickets
- Equipment purchases
- Cost of manufacturing of products for export

Award Requirements

Each State fiscal year, the maximum award per grant is \$25,000 for businesses and \$100,000 for not-for-profit organizations; the minimum is \$5,000. Applicants are limited to two grants per State fiscal year for for-profit companies and two grants per year for not-for-profits. Second awards are contingent on successful completion and documentation of the first awarded project. If a company/organization fails to receive disbursement of grant funds for an awarded project and a second award is issued ESD reserves the right to retract the second award.

- For-profit businesses may receive grant awards covering up to 50% of total project costs.
 - Businesses must contribute a 50% match in the form of cash injected into the project

- Not-for-profit organizations may receive grant awards covering up to 75% of total project costs.
 - not-for-profit organizations must contribute a 25% cash match or minimum 15% cash and 10% in-kind contribution, which should be auditable through financial statements or accounts, if so requested. The in-kind contribution may include staff time directly related to the execution of a project and necessary to complete a project.

Other state and federal grant funds may **not** be used as matching funds. Applicants must provide documentation of sources and uses of matching funds and must provide proof of payment and receipts related to the eligible expenses.

A single grant may cover more than one eligible activity at a time (applicants may bundle eligible activities), however, all applications will be reviewed and approved on a case by case basis. No single business can receive more than \$50,000 in grant funding per State fiscal year (using the max of two grants per year) or \$250,000 in total grants over the course of the program, whether given directly, or through a regional non-profit organization. No single non-profit organization can receive more than \$150,000 per State fiscal year. Not-for-profits may apply up to two times per NYS fiscal year. Not-for-profit EDOs should provide opportunities to maximize the participation of new and unique companies in their Global NY Grant Fund projects. Not-for-profit projects are expected to be **revenue neutral** based on project income received from participating companies. If a for-profit or not-for-profit wish to apply for the same trade show or export activity over multiple projects they must detail in their Statement of Need the importance of continued participation in addition to why ESD funding is needed.

Global NY reserves the right, in cases where the State Trade Expansion Program (STEP) grant is no longer available, to reduce the minimum grant award to \$2,500 for a total project cost of \$5,000 (this cost waiver extends to not-for-profit economic development organizations regardless of the availability of STEP funding). Utilization of funding at this level disqualifies an organization from applying for a second Global NY grant in the same NYS fiscal year.

If there are any changes to the proposed/approved grant activity(-ies), then the Applicant must notify ESD in writing about the changes immediately. If the change affects the line-item budget by 10% or less, then the applicant and ESD must discuss and agree to the changes. If the change affects the

budget by more than 10%, then ESD reserves the right to reevaluate the project and may rescind the award.

Application Requirements

An applicant must file a **completed application**, which includes, but is not limited to:

- (i) complete application with original signature and all attachments including an attestation that the business or organization is compliant with tax obligations and all relevant environmental, labor, and operating laws;
- (ii) certificate/letter of incorporation;
- (iii) for business applicants, a narrative (not to exceed two pages) explaining your export plan/strategy, plus a complete project budget with sources and uses of funds, project work plan, and demonstrated fulfillment of New York State production content criteria or;
- (iv) for non-profit organizations, a narrative (not to exceed two pages) describing how your organization will assist NYS businesses with exporting; help build export capacity; and/or to otherwise increase the export of NYS products and services, plus a project budget with sources and uses of funds, project work plan, and demonstrated compliance with NYS non-profit requirements, as stated in Applicant Eligibility;
- (v) demonstration of matching funds as described above (50% for for-profit, 75% for not-for-profit);
- (vi) demonstration of financial need, including most recent tax returns and attestation that, but for the grant, the project would not take place;
- (vii) documentation of project costs including detailed specifications, scope of services and associated quotes;
- (viii) an agreement to submit a Project Impact Report after completing grant activities and to participate in ESD surveys about the results derived from the grant activity after the fact.

ESD may require additional or alternative documentation as deemed necessary.

Application Review

Complete applications that meet the Application Requirements and the \$5,000 minimum grant threshold will be accepted on a rolling basis, but they will be reviewed and approved -based on, but not limited to, the following criteria:

- Eligibility
- Promotion of economic vitality of New York State by facilitating the creation or retention of jobs or increasing business activity through exporting
- Project is reasonably likely to accomplish its stated objectives
- Likely benefits of the project exceed costs
- Evidence of secured matching funds, and a contribution of at least the minimum cash equity;

Pursuant to these guidelines, ESD has the right to review and approve or reject applications in the exercise of its discretion.

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Applicants are advised to apply well in advance of their proposed export activities start date and should expect to receive a notification of their award status no sooner than 45 to 60 days after submitting a completed application.

51% Criteria

51% of the total value of all finished products must be generated in NYS. The following must be considered by the company when determining eligibility:

- Value of raw material and input components sourced in NYS
- Value of company manufacturing and/or other production and design/ intellectual property labor in NYS
- Value associated with the manufacturing/production process including manufacturing/production overhead in NYS
- Other value added to finished products by the company or NYS subcontractors

Foreign Direct Investment

Applicant Eligibility Criteria

- Be a qualified economic development organization by demonstrating prior significant FDI activities or by submitting an approvable FDI attraction plan. The EDO FDI plan must be aligned with their Regional Economic Development Councils (REDC's) economic development plan.
- Must be located in New York State.
- A not-for-profit organization receiving a grant from ESD must be or become registered and up-to-date with its filing with the Office of Attorney General's Charities Bureau ("OAG"), certified in the Office of the State Comptrollers' VendRep System ("OSC"), pre-qualified with New York State Grants Gateway, and in compliance with all other relevant statutory requirements,
- For the purposes of the Global NY Grant Fund program, an EDO is considered to be a not-for-profit organization dedicated to the economic development of a region of New York State, such as a town, city, county, or New York State as a whole and/or an industry within New York State.
- Must contact the International Trade Manager in your region of New York State to determine if an EDO's FDI proposal will be considered. Proposal consideration is at the sole discretion of ESD.

Eligible Use of Funds

Grant funds may be used to assist qualified economic development organizations in attracting foreign direct investment into their region. The use of funds must be aligned with REDC objectives.

Approvable use of the funds:

- Organize and attend trade show having significant foreign participation, organize and attend FDI mission or other activity with a significant international investor participation. (ESD will review and approve show and or activity for relevance).
- Booth space/events costs
- Creation of international marketing/promotion materials to support regional FDI objectives.
- Qualified travel to attend trade show or FDI events.

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- Qualified FDI consultant fees

The purpose of the grant is to increase New York State's competitiveness in the global economy, by increasing Foreign Direct Investment (FDI) into New York and creating jobs. Costs cannot be incurred prior to ESD approval of the grant, with the exception of trade show booth/event deposits. No costs will be reimbursed for activities that took place prior to grant approval.

Per diem rates excluding meals and incidentals are published for "lodging" costs and are based on the local U.S. city and/or foreign country. Federal per diem rates are updated annually and are available at:

Domestic travel - <http://www.gsa.gov/portal/category/100120>

International travel - https://aoprals.state.gov/content.asp?content_id=184&menu_id=78

Lodging: Travelers may be reimbursed up to 50% for eligible per diem lodging costs excluding meals and incidentals. Reimbursements are based on the actual lodging costs up to the maximum per diem allowance. Dates must correspond with tradeshow exhibit dates and/or other supporting documents

Days of travel: The eligible travel days include two days prior to the tradeshow/event and one day after. Up to four travelers may only be reimbursed up to the cost of a full-fare, economy (coach) class ticket. If business or first-class tickets are purchased, companies will need to submit a travel agent's written quotation for the economy ticket for the same dates and itinerary.

Ineligible Use of Funds

Ineligible uses of grant funds include, but are not limited to:

- Costs incurred prior to receipt of the ESD incentive proposal/award notification
- Utility costs, taxes, debt, or insurance premiums
- Personnel expenses not directly related to carrying out a project
- Legal services
- Administration of grant funds
- Meals and incidentals, passports, visas, or immunizations related to trade events or international travel
- Expenses related to entertaining current or potential clients or government officials
- Standard business supplies
- Business class or first-class airline tickets
- Equipment purchases

Pursuant to these guidelines, ESD has the right to review and approve or reject applications in the exercise of its discretion.

FDI Award Requirements

Each State fiscal year, the maximum award per grant is \$100,000, and applicants are limited to two grants per year. Second awards are contingent on successful completion and documentation of the first grant award. Grant awards may cover up to 75% of total project costs. EDO's must contribute at least a 25% cash match or minimum 15% cash and 10% in-kind contribution, which should be auditable through financial statements or accounts, if so requested. Other state and federal grant funds may not be used as matching funds. Applicants must provide documentation of sources and uses of matching

funds and must provide proof of payment and receipts related to the eligible expenses. Not-for-profit projects are expected to be **revenue neutral**.

A single grant may cover more than one eligible activity at a time (applicants may bundle eligible activities), however, all applications will be reviewed and approved on a case-by-case basis. No single EDO can receive more than \$100,000 in grant funding per State fiscal year or \$250,000 in total grants over the course of the program.

If there are any changes to the proposed/approved grant activity(-ies), then the Applicant must notify ESD in writing about the changes immediately. If the change affects the line-item budget by 10% or more, then the applicant and ESD must discuss and agree to the changes. If the change affects the budget by more than 10%, then ESD reserves the right to reevaluate the project and may rescind the award.

i. FDI Application Requirements

An applicant must file a completed application, which includes, but is not limited to:

- (ix) complete application with original signature and all attachments.
- (x) for Economic Development Organizations, a narrative (not to exceed three pages) explaining your FDI plan/strategy and describing how your organization will likely increase FDI and how your activities align with regional economic objectives, plus a complete project budget with sources and uses of funds and a project work plan.
- (xi) demonstration of available matching funds as described above.
- (xii) documentation of project costs including detailed specifications, scope of services and associated quotes;
- (xiii) an agreement to submit a Project Impact Report after completing grant activities and to participate in ESD surveys about the results derived from the FDI grant activity after the fact.

Methods of Disbursement

Final payment will not be disbursed until the project is complete, a Grant Disbursement Agreement (GDA) is completed by ESD and signed off by the applicant, and all supporting documentation is received within 60 days of project completion. Prior to disbursement of grant funds, the following information must be submitted:

- A project participation report including documentation of project completion, such as photographs, marketing materials, and measurements of success;
- invoices and associated paid receipts including, but not limited to, cleared checks, register receipts and credit card receipts;
- other supporting documentation as may be necessary to verify successful project completion and payment of eligible costs;
- A Project Impact Report including information on project outcomes, such as export sales.

In accordance with IRS regulations, all grants disbursed will be reported by ESD to the IRS and ESD shall mail a Form 1099 to the grant recipient, at the address provided in the application.

Audit and Control

ESD may conduct site visits and audit applications on a random or specified basis for a period extending to six years after the final disbursement of the assistance to the applicant. ESD reserves the right to contact companies and other federal, state and local governmental agencies to confirm information included, or that should have been included, in the applications.

Disclosure of Information

Each applicant must agree to allow:

- (a) the Department of Taxation and Finance to share its tax information with ESD. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;
- (b) the Department of Labor to share its tax, employer or other information with ESD relevant to funding. However, any tax information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and
- (c) ESD and its agents access to any and all books and records ESD may require to monitor compliance.

Except as required by applicable law or regulations, ESD will endeavor to maintain the confidentiality of tax and rent information submitted as part of the application. Notwithstanding the foregoing, such information may be made available to ESD staff and designated individuals that are processing the application and to federal, state or local officials and to auditors evaluating the program and others as ESD may deem to be required in accordance with applicable law and regulations, including judicial orders and subpoenas.

Availability of Funds

The disbursement of any grant is explicitly subject to the approval of ESD and the receipt by ESD of a sufficient amount of funds from the State of New York acting by and through the New York State Division of the Budget.

Non-Discrimination and Contractor and Supplier Diversity

ESD non-discrimination policy will apply. The applicant shall not unlawfully discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status.

In accordance with the requirements of Article 15-A of the New York State Executive Law, all projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity ("OCSD"), which will, where applicable, set minority and women-owned business enterprise ("MWBE") participation goals. Such goals shall typically be included in the award letter or other contemporaneous communication from OCSD with respect to these requirements.

In instances where goals are set, applicant will be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project and must maintain such records and take such actions necessary to demonstrate compliance with Article 15-A of the New York State Executive Law.

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Amendments to Global NY Grant Fund Guidelines

ESD may amend these guidelines from time to time.

Application Submission

The applicant can access the application form and instructions, these guidelines, any amendments to these guidelines, and additional information about the program on the ESD Global NY website:

www.global.ny.gov

Additional information can be obtained by writing to globalny@esd.ny.gov or calling (212) 803-2300.

The application is a PDF fillable form. Applicants must submit one electronic copy and one hard copy of the completed application with an original signature and all required attachments to the following address:

Global NY Grant Fund
Empire State Development
633 Third Avenue, 36th floor
New York, NY 10017