

Examples from prior years are set forth below.⁵ These are provided only for illustration. Applicants are not required to propose any of these activities:

1. Foreign trade show/trade mission participation;
2. Demonstration of U.S. products abroad;
3. Export seminars;
4. Establishment of technical servicing abroad;
5. Joint promotion of U.S. products with foreign partners;
6. Establishment of an overseas office⁶;
7. Detail of a representative to a Commercial Service office in accordance with 15 U.S.C. 4723(c);
8. After-sale service training of foreign nationals;
9. Promotion of standards that ensure market access for U.S. products; and
10. Publication of product brochures or a company directory.

B. Administration of Award Activity

As noted above in *I.A.3. Cooperative Agreement*, the Department will have substantial involvement with the cooperator. This involvement results primarily from the activities of the project team.

1. *Project Team*: To administer each cooperative agreement, a project team is established including key personnel from the cooperator and ITA officials who can help the cooperator achieve MDCP project objectives.⁷ Each project team acts as the project's "board of directors" establishing direction, recommending changes when necessary, and working on project activities.

2. *Annual Operating Plan*: Each year during the award period, the project team formulates an operating plan based on the work plan submitted in the application. The plan identifies project events, projected dates, team responsibilities, and a rough cost estimate for each event and ongoing activity scheduled during the fiscal year (October through September).⁸ Applicants do *not* submit annual operating plans in their applications. They are developed only after receipt of

an award and designation of the project team.⁹

3. *Regular Team Meetings*: Project teams normally meet in-person at least every three months. In between the quarterly meetings, project teams usually hold regular telephone or video conferences. Cooperators based in the Washington, DC area usually meet in-person more often than quarterly.¹⁰

4. *Team Participation in Project Activities*: Project team members, including the project team leader and other ITA team members, participate as appropriate in project activities. For example, in the past, ITA members of the project team have participated in trade missions, recruited for trade shows, delivered presentations at seminars, and assisted with numerous other aspects of project activity. As noted above in *II.B.2. Annual Operating Plan*, ITA members of the project team pay their own costs associated with their participation.

C. Funding

1. *Funding Availability*: For FY 2003, the total funds expected to be available for this program are \$1.5 million. The Department expects to conclude a minimum of five (5) cooperative agreements. No award will exceed \$400,000, regardless of the duration of the award period.

2. *Match Requirement*: A cooperator must contribute at least two dollars for each Federal dollar received.

a. *Cash Contribution*: A cash contribution is a new outlay of cooperator funds for project activity. The cooperator can only use its funds—not the funds of a partner or any other entity—as cash contribution.¹¹ An in-

kind contribution is not part of the cash contribution.

(1) *One Dollar of Match Must Be Cash*: One dollar of a cooperator's minimum two-dollar match must be cash contribution. The other dollar of match may be either in-kind contribution or cash contribution.

(2) *Program Income*: Project fees generated under the award, like any other source of program income, must be used for project-related purposes during the award period. Applicants should explain any such fees.

(a) *Project Benefits and Reasonable Fees*: Benefits from the project must be made available to all companies in the industry whether or not a company is a member or constituent of the cooperator or its partner(s). In some situations, a cooperator may charge lower fees to one class of companies than to another. For example, a trade association could charge a lower participation fee to a member company than it does to a nonmember. This is permitted as long as the difference in fees is reasonable.

(b) *Cash Match If Value Added*: Program income expended on project activity may be counted as cash match, if it represents value added by the cooperator for project activity. This can be illustrated in the example of a company that attends a trade show as part of a cooperator's project. If the company negotiates amounts for its own arrangements with vendors, pays the total amount to the cooperator, then has the cooperator pay the amount to the vendors, the cooperator has added no value. The cooperator cannot claim the fees as cash match.

The same cooperator could claim fees paid by the company for trade show participation, if the cooperator adds value and the fees represent something of value that furthers project goals. For example, the cooperator could create its own trade-show participation package. This might include finding optimal hotel accommodations, securing group airfare, meeting with trade show organizers before the show, and organizing a reception to take place during the show. Such a cooperator package would help determine project success. When companies pay the fees for such a package, they are doing more than getting themselves to a trade show, they are agreeing that the project itself has value. Because the cooperator's package adds value and furthers project goals, the cooperator could charge fees, use the fees to pay project expenses, and claim them as cash match.

(3) *Third Party Contributions*: In order for a cooperator to outlay cash contributed by a third party, the third party must transfer the funds to the

⁵ Visit <http://www.export.gov/mdcp> for a description of each of the MDCP projects funded to date.

⁶ Such an office should not duplicate the programs or services of the Commercial Service Office(s) in the region, but could include co-location with a Commercial Center of the Commercial Service.

⁷ If needed, representatives from other federal agencies may be invited to participate on the project team.

⁸ Some of the planning by ITA team members is affected by the Federal fiscal year. Cooperators should anticipate finalizing their annual operating plans well before October 1.

⁹ The annual operating plan is a blueprint for team activity worked out between the cooperator and the project team leader. For example, one activity listed could be a trade mission. In addition to dates and responsibility, the cooperator would list a rough estimate of costs based on the project budget submitted in the application, as amended. (The annual operating plan does not include detailed breakdowns of cost.) In a separate column, ITA's project team leader estimates the amount of ITA administrative funds needed to pay for ITA travel and certain other expenses incurred supporting the mission. (Funding of ITA team members' participation is subject to availability of funds.)

¹⁰ Project team leaders usually request and receive sufficient ITA administrative funds to pay for travel to the cooperator's location for team meetings. Most cooperators make provision in their project budgets to travel to Washington, DC for some of the team meetings in order to familiarize themselves with all of the federal resources available to them.

¹¹ Recipient cash contributions are defined in 15 CFR part 14, § 14.2(g) as the award "recipient's cash outlay, including the outlay of money contributed to the recipient by third parties."