

A world map composed of blue dots, with the state of California highlighted in a solid light orange color. The text "CALIFORNIA" is centered over the map in a large, bold, dark blue font.

# **CALIFORNIA**

## **STATE TRADE EXPANSION PROGRAM**

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### **PROGRAM GUIDELINES**

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# 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 seeks to increase the number of eligible small business exporters, and to increase the volume of goods and services they export. STEP offers support to small businesses through a series of STEP Events, which include exhibitions under state pavilions at pre-selected international trade shows and trade missions, and through reimbursable grants known as Export Vouchers.

Eligible California small businesses can participate in **up to two (2) STEP Events per federal fiscal year**. Participation in additional events will be considered pending space and funding availability. **For the Export Voucher, eligible businesses can be reimbursed for up to 75% of pre-approved expenses, with a maximum limit of \$10,000** within the federal fiscal year\*.

*\* Applications for Export Voucher(s) must be submitted prior to the planned activity and within the appropriate application round.*

## Participation Eligibility Criteria

1. Must be a for-profit business.
2. Must be organized or incorporated in the United States of America.
3. Must have significant operations in California.
  - a. Substantial presence in terms of workforce, facilities, and economic impact within that state.
4. Must be exporting goods or services of U.S. origin or that have at least [51% U.S. content](#).
5. Must meet the definition of a "small" business per [eCFR :: 13 CFR Part 121 -- Small Business Size Regulations](#). Note that all employees of affiliates, such as parent companies, subsidiaries, etc., are included in employee and annual receipts totals to determine size eligibility ([SBA affiliation definition](#)).
6. Must be registered to do business in the State of California and good standing with regulatory agencies. GO-Biz will assess the operating status of a company based on the business type:
  - a. Corporations or Limited Liability Companies (LLCs) must be in good standing with the California Secretary of State. Corporations or LLCs can verify their entity status at <https://bizfileonline.sos.ca.gov/search/business>
  - b. Sole Proprietors must provide proof of registration or status by uploading relevant documentation to the STEP grant portal. Documentation may include:
    - i. Business license or permit issued by the local government per [www.calgold.ca.gov](http://www.calgold.ca.gov); or
    - ii. "Doing Business As" (DBA) certificate.
7. Must be in business for at least one year at the time the approved export promotion activity takes place.
8. Must have sufficient resources to cover the costs associated with trade, which can include packing, shipping, freight, and customs brokerage costs.

*Note:* the above 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.

## Prohibited Applicants

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

- Does not meet [SBA small business size standards](#);
- Is based in a foreign country.
- 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 not organized for profit.
- 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 question, and the response is 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 are incomplete will *not* be considered.

# STEP EVENTS

## STEP Event Overview

Eligible California businesses can participate in **up to two (2) STEP Events per federal fiscal year**. Participation in additional events will be considered pending space and funding availability. STEP Events are export promotion activities led by GO-Biz and/or partners that offer California businesses activities designed to connect them to international sales opportunities in foreign markets. STEP Events are made up of virtual or in-person Foreign Trade Missions, International Trade Shows, Product Showcases and Seminars, and other export-focused matchmaking programs.

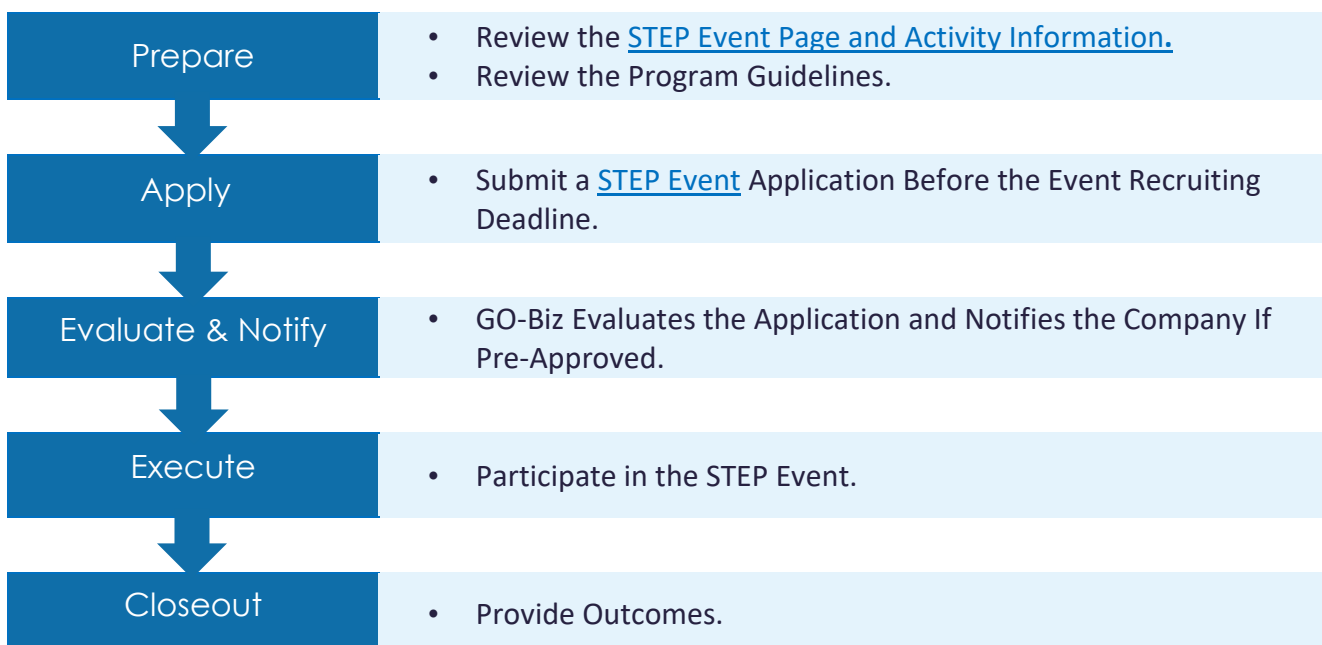
### STEP Event Benefits

- Reduce costs to participate in export promotion activities.
- 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.

### STEP Event Funding

Funding for STEP Events is pre-determined and will be awarded based on space availability. Eligible small businesses may view a list of STEP Events at [export.business.ca.gov/step-events](https://export.business.ca.gov/step-events). We encourage you to frequent the site often to stay apprised of regular updates and subscribe to our newsletter [here](#) to receive the latest news. The general application process for STEP Events is outlined below, please note that 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, etc.)

### STEP Event Application Process



# EXPORT VOUCHER

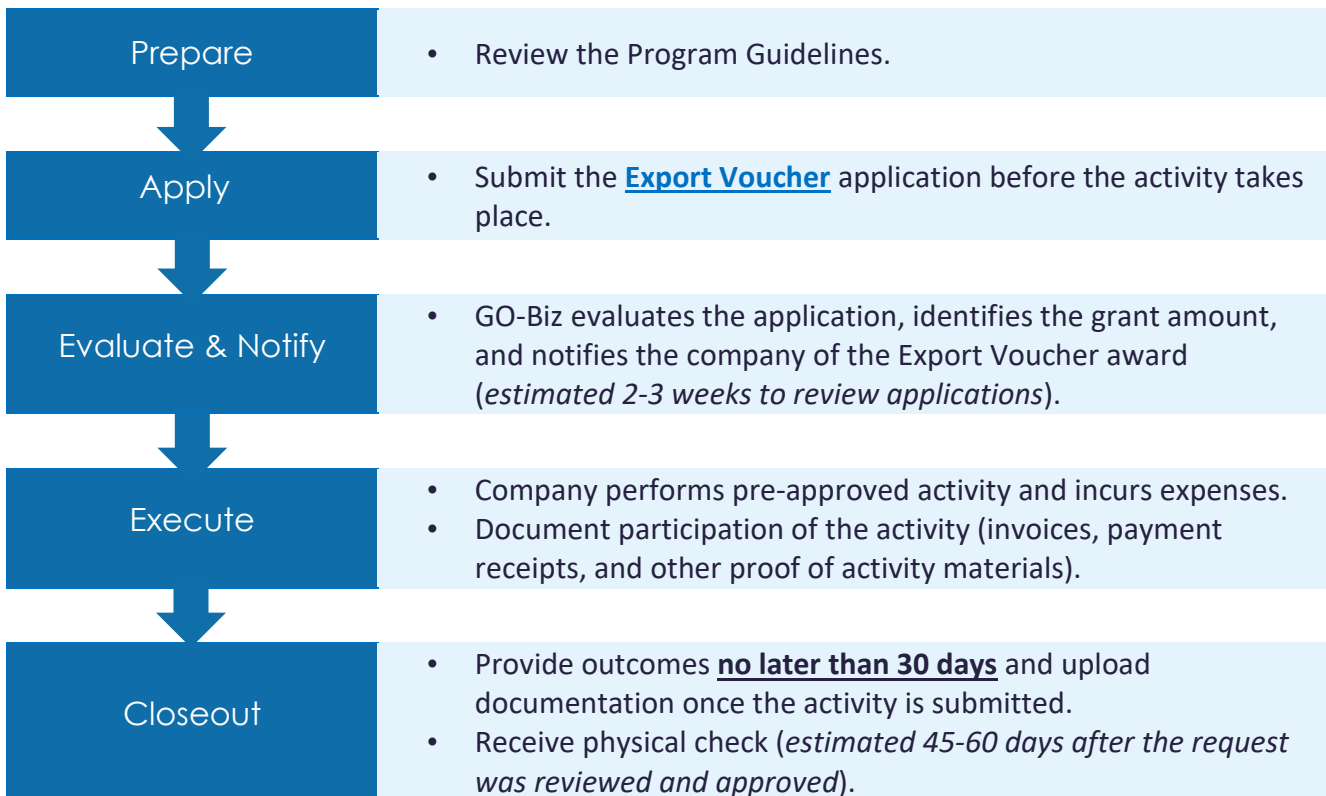
## Export Voucher Overview

Export Vouchers allow eligible companies to propose their own export promotion activities for **reimbursement for up to 75% of pre-approved expenses, with a maximum reimbursement of \$10,000** within the federal fiscal year. Applications for Export Voucher(s) must be submitted **prior** to the planned activity and within the [appropriate application round](#). Requests for retroactive activities, i.e., activities the business has already completed, will NOT be considered for reimbursement.

### Funding Criteria


- The Export Voucher is *very* competitive 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.
- 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.

## Export Voucher Application Process




## Allowable Expenses

The costs below are examples of export promotion expenses eligible for reimbursement under the California STEP Grant. Export Voucher expenses must clearly target an international market. All expenses must be proposed during the application process and pre-approved by GO-Biz. Any proposed changes to the use of funds must be first reviewed and approved by GO-Biz.

 <p><b>International Trade Shows or Trade Missions</b> See footnote <sup>1</sup></p> <p>-</p> <p>Max: \$10,000</p>	<p><b>Eligible Costs</b></p> <ul style="list-style-type: none"> <li>• Raw booth space</li> <li>• Booth design &amp; construction</li> <li>• Rental of temporary booth displays (furniture, lighting, and audiovisual equipment)</li> <li>• Trade show services (wi-fi, electricity, cleaning, booth security)</li> <li>• Trade show catalog listing fee</li> <li>• Trade show advertising fees</li> <li>• Interpreting services</li> </ul> <p><b>Proof of Activity</b></p> <ul style="list-style-type: none"> <li>• Photo of the entire booth; photo of employees or representatives manning the booth during the event</li> <li>• Photo or screenshot of company listing in the show exhibitor's guide</li> </ul>	<p><b>Ineligible Costs</b></p> <ul style="list-style-type: none"> <li>• Transportation costs (airfare, ground transportation, etc.)</li> <li>• Meals, lodging, or other expenses associated with travel.</li> <li>• Purchase of non-disposable furnishings, containers, swag items</li> <li>• Any type of printing fees</li> </ul>
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<sup>1</sup> Funds requested for a Trade Mission must be accompanied by a detailed breakdown of the participation fee. Applicants must upload to the "Required Documents" section at the time of application.

 <p><b>U.S. Commercial Service Products</b></p> <p>-</p> <p>Max: \$10,000</p>	<p><b>Eligible Costs</b></p> <ul style="list-style-type: none"> <li>• Gold Key Service</li> <li>• Initial Market Check</li> <li>• International Company Profile</li> <li>• Single Company Promotion</li> <li>• Customized Market Research</li> </ul> <p>See <a href="#">All Services</a></p> <p><b>Proof of Activity</b></p> <ul style="list-style-type: none"> <li>• Midterm or final report (if applicable)</li> <li>• Meeting schedule (if applicable)</li> <li>• Confirmation or Acknowledgement Letter</li> </ul>	<p><b>Ineligible Costs</b></p> <ul style="list-style-type: none"> <li>• Transportation costs (airfare, ground transportation, etc.)</li> <li>• Meals, lodging, or other expenses associated with travel.</li> <li>• Other direct costs not included in the service fee</li> </ul>
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 <p><b>EXIM Credit Insurance Premiums</b></p> <p>-</p> <p>Max: \$10,000</p>	<p><b>Eligible Costs</b></p> <ul style="list-style-type: none"> <li>• Initial insurance premium that is due at the start of the policy year</li> </ul> <p><b>Proof of Activity</b></p> <ul style="list-style-type: none"> <li>• Insurance Policy</li> <li>• Payment Receipts</li> </ul>	<p><b>Ineligible Costs</b></p> <ul style="list-style-type: none"> <li>• Wire Transfer Fees</li> </ul>
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### Domestic Trade Shows or Reverse Missions

See footnote <sup>2</sup>

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Max: \$5,000

#### Eligible Costs

- Same as 'International Trade Shows or Missions' if able to demonstrate that the event will have a significant international presence

#### Ineligible Costs

- Same as 'International Trade Shows or Missions'

#### Proof of Activity

- Same as 'International Trade Shows or Missions'
- List of international leads made at the event
- List of matchmaking activities attended (if any)

<sup>2</sup> Funds requested to participate in Domestic Trade Shows/ Reverse Mission must be accompanied by a documented international strategy for exhibiting at a specified domestic event in the STEP application and should include a description of why the show is appropriate for the company's export development. Additionally, the documentation must either (1) Demonstrate a significant foreign buyer presence based on data published by the trade show organizer, or (2) Identify a known foreign buyer delegation attending a domestic trade show which is specifically relevant to the company's export development. Applicants must upload to the "Required Documents" section at the time of application.



### Sample Shipping

-

Max: \$5,000

#### Eligible Costs

- Distribution Channel Samples (distributors, wholesalers, or retailers)
- Trade Show Samples (not meant for sale)
- Research or Quality Testing Samples

#### Ineligible Costs

- Shipping associated with a sale order
- Cost of goods
- Checked bag fees on commercial airline

#### Proof of Activity

- Commercial Invoice
- Shipping Invoices or Receipts
- Packaging or Labeling Documentation
- Correspondence or Emails



### Compliance Testing & Product Registration

-

Max: \$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





### International Marketing Material

See footnote <sup>3</sup>

-  
Max: \$5,000

#### Eligible Costs

- Design of the following for specific markets by a third-party:
  - Product labeling for a specific market
  - Marketing brochures
  - Social media platform content
  - Billboards
  - Newspaper ads
  - Advertisements in international magazines
  - Posters
- Translation of items above

#### Ineligible Costs

- 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)



### Website Globalization & E-Commerce

See footnote <sup>3</sup>

-  
Max: \$5,000

#### Eligible Costs

- Develop localized webpages for specific markets
- Translate pages of one's website for specific markets
- Conduct a search engine optimization (SEO) project for one's website in a specific market
- Develop a webstore setup for specific markets
- Set up to receive and/or process online payments and orders for specific markets
- Develop cybersecurity protection to support exports



#### Ineligible Costs

- 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

<sup>3</sup> 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.

 <p><b>Intellectual Property</b></p> <p>-</p> <p>Max: \$2,500</p>	<p><b>Eligible Costs</b></p> <ul style="list-style-type: none"> <li>• Filing &amp; Renewal Fees (Patents, Trademarks, Copyrights)</li> <li>• Attorney or Agent Fees</li> </ul> <p><b>Proof of Activity</b></p> <ul style="list-style-type: none"> <li>• Certificates</li> <li>• Registrations</li> <li>• Agreements</li> </ul>	<p><b>Ineligible Costs</b></p> <ul style="list-style-type: none"> <li>• Intellectual property targeting the domestic market</li> </ul>
 <p><b>Export Research Tools</b></p> <p>-</p> <p>Max: \$2,500</p>	<p><b>Eligible Costs</b></p> <ul style="list-style-type: none"> <li>• Market Research Reports</li> <li>• Database Subscriptions</li> <li>• Country and Industry Reports</li> <li>• Lead generation platforms</li> </ul> <p><b>Proof of Activity</b></p> <ul style="list-style-type: none"> <li>• Research Reports</li> <li>• Dated screenshot of the database</li> </ul>	<p><b>Ineligible Costs</b></p> <ul style="list-style-type: none"> <li>• Research tools solely with a domestic focus</li> <li>• In-house market analysis</li> </ul>

### Ineligible Expenses

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

- 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 **30 days after the activity concludes**. Each individual expense requires the submission of three items:

1. **Invoices** - All submitted invoices for reimbursement should include:
  - Date of the transaction
  - Vendor's name, address, and contact information
  - Itemized charges (summary invoices are not eligible)

*Note: Invoices submitted in a foreign currency require Proof of Payment in USD.*
2. **Proof of Payment** – Proof of payment is mandatory for all expenses. Acceptable forms of payment include:
  - Credit Card/bank statement
  - Check Copy
  - Cash Receipt
  - Credit/debit memo
3. **Proof of Activity** – Documentation verifying the attendance/implementation of the activity
  - Examples of proof of activity are included under the activity sections on page 6-9 in this guide.

**CRITICAL NOTICE:** Failure to provide requested information may result in the rescission of funds. GO-Biz reserves the right to seek additional information related to the pre-approved activity. Reimbursements for Export Vouchers will be fully disbursed up to the awarded amount unless the small business fails to meet obligations regarding the approved activity or required documentation submission.

GO-Biz maintains ultimate discretion in approving and reimbursing funds, with final authority to determine the sufficiency of submitted materials.

# PROGRAM ADMINISTRATION

The State Trade Expansion Program (STEP) is administered by the California Governor's Office of Business and Economic Development (GO-Biz) at the state level, and the U.S Small Business Administration's Office of International Trade (SBA-OIT) manages STEP at the federal level.

## Contact Information

Agency/Department: Governor's Office of Business and Economic Development, International Affairs and Trade Unit

Contact/Help: [STEP@gobiz.ca.gov](mailto:STEP@gobiz.ca.gov)

Office: 1325 J Street, Suite 1800, Sacramento, CA 95814

Program Manager: [Mariana.Guevara@gobiz.ca.gov](mailto:Mariana.Guevara@gobiz.ca.gov)

*Please contact [STEP@gobiz.ca.gov](mailto:STEP@gobiz.ca.gov) for general information regarding the California STEP Grant. Email Mariana Guevara for administrative questions.*

# 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](https://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](mailto: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](mailto:STEP@gobiz.ca.gov) for an update.

**Q: I have previously applied for STEP; do I have to apply again?**

A: Yes, each time you wish to request funds you must submit a new application.

**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](mailto: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