



Massachusetts Small Business Development Center(MSBDC) Network

State Fiscal 2015 Report

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MASSACHUSETTS SMALL BUSINESS DEVELOPMENT CENTER NETWORK

State Fiscal 2015 Report

I. EXECUTIVE SUMMARY

During FY 2015, state line item 7007-0800 for the Massachusetts Small Business Development Center (MSBDC) Network in the amount of \$1,186,222.00 leveraged Federal funds from the U.S. Small Business Administration in the amount of \$2,198,712.00 and \$399,308.00 from the Department of Defense to staff and operate the MSBDC's six regional centers, four statewide International Trade Offices, the Government Sales Program and the statewide Procurement Technical Assistance Center (PTAC) Program. In addition, the participating consortium institutions led by the UMass Isenberg School, waived over \$1,107,888.00 in indirect costs.

The six regional offices, the International Trade program and the Government sales program, with state line item match in the amount of \$1,004,286.00, provided one-to-one free confidential business advisory services to 3,161 individuals comprising 24,206 hours of assistance. These advisory services resulted in the creation of 615 new jobs and the preservation of 795 jobs throughout the Commonwealth. The remainder of the line item \$181,936.00 leveraged Federal funds from DoD for the PTAC program.

The Massachusetts Small Business Development Center (MSBDC) Network contributes to the entrepreneurial growth of small businesses throughout Massachusetts by providing high-quality, in-depth advising, training and capital access. This translates into creating and retaining jobs in the Commonwealth as well as generating tax revenues and increasing sales revenues for businesses. In Fiscal 2015, the MSBDC exceeded most of its performance measurements in support of the following statewide goals.

Support Innovation and Entrepreneurship

The MSBDC Network projected the creation and retention of 1,000 jobs and achieved 1,410 jobs. We projected creating \$2M in state tax revenues generated by clients through our business advising and achieved \$6.4M. In addition, we projected generating \$100M in sales revenues by established business clients and achieved \$123.4M. We projected \$38M in capital secured by clients who received our services and achieved over \$43.9M. The MSBDC's Mass Export Center projected \$100M in client sales increases but achieved over \$150M and the Procurement Technical Assistance Center (PTAC) projected that their clients would secure \$28M in government contracts but achieved over \$33M in government contracts.

Expand our Culture of Innovation

The MSBDC Network projected that 50 businesses would be started by clients who received our advising services and we achieved 135 business starts. We also projected that we would provide services to 600 clients in Gateway cities but we serviced 850 clients in those cities. The following is a summary of MSBDC achievement compared to projects goals:

**MSBDC ACHIEVEMENTS COMPARED TO PROJECTED
State Fiscal Year 2015**

	Projected	Achieved	Percentage
Jobs Created/Retained	1,000	1,410	141%
State Tax Revenues Generated	\$2,000,000	\$6,400,000	320%
Sales Revenues Generated	\$100,000,000	\$123,400,000	123%
Capital Secured	\$38,000,000	\$43,998,434	116%
Export Sales Increases	\$100,000,000	\$150,000,000	150%
Government Contracts Secured	\$28,000,000	\$33,554,459	120%
Businesses Started	50	135	270%
Gateway City Cases	600	850	142%

II. MSBDC NETWORK OVERVIEW

The Massachusetts Small Business Development Centers (MSBDC) Network provides one-to-one free comprehensive and confidential services focusing on, business growth and strategies, financing and loan assistance, and strategic analysis. The statewide program has three integrated product lines: Business Advisory Services, Government Contracting and International Trade Services through our Massachusetts Export Center. Services are delivered through a statewide network of skilled professionals supported by a network of federal, state, educational and private sector partners. In addition, low cost educational training programs are offered across the state targeted to the needs of small business.

The MSBDC is a partnership of the U.S. Small Business Administration, the Massachusetts Office of Business Development and a consortium of higher education institutions led by the Isenberg School of Management at the University of Massachusetts Amherst and includes Clark University, Salem State College, University of Massachusetts Boston and University of Massachusetts Dartmouth.

The MSBDC's six regional business advisory centers, the Massachusetts Export Center, and Procurement Technical Assistance Center are designed to effectively service small businesses throughout the state. There is an MSBDC regional, specialty, or satellite office located within 30 minutes of any potential client in the state.

- **Business Advisory Services** — Through six regional centers housed in Pittsfield, Springfield, Worcester, Salem, Fall River and Boston, full-time business advisors supported by the resources of academic institutions, provide business advising to small businesses. Feasibility

studies and start up issues, business plan development, cash flow analysis, marketing and sales strategies, financial plan development, financing options and loan packaging, buy/sell and valuation assistance, technology and e-commerce assistance as well as assistance with equity business plans are among the wide array of assistance provided.

- **Training** — The MSBDC conducts seminars, workshops, courses, and conferences addressing a wide range of business issues. Many of these programs are cosponsored with local chambers of commerce, colleges and universities, community development organizations and trade associations
- **Massachusetts Export Center** — Through four centers located in Boston, Holyoke, New Bedford and Worcester, the MSBDC's Massachusetts Export Center provides export counseling, technical assistance, international market research and promotion, as well as training to businesses. Expertise and guidance is provided in the areas of export market assessment and analysis, establishment of export market channels, international business development, export legal and regulatory compliance, export logistics and supply chain management, and global trade banking and finance. The program works collaboratively with the Massachusetts Office of International Trade & Investment, MassDevelopment, the U.S. Department of Commerce and the U.S. Small Business Administration's Office of International Trade.
- **Minority Business Center** — The Minority Business Center provides services on a targeted basis to the minority community of Greater Boston. The Center is sponsored by the University of Massachusetts Boston.
- **Procurement Technical Assistance Center (PTAC)** — Client firms receive an understanding of contracting requirements and the know-how to obtain and successfully perform federal, state and local government contracts. Small businesses headquartered in Massachusetts and in business for at least one year can subscribe to a free bid-matching service informing them of bidding opportunities (when electronically available) matching their specific product and/or service profiles. PTAC provides a wide range of assistance, such as: guidance on initial registrations and small business certifications, researching procurement histories, small business matchmaking conferences, proposal guidance and review, contract performance issues and much more.
- **Economic Development** — The MSBDC assists local groups and communities in developing programs for small business creation, expansion and retention.

III. MSBDC NETWORK CLIENT CHARACTERISTICS

The following chart details the major client characteristics by percentage of MSBDC clients:

2015 MSBDC CLIENT CHARACTERISTICS	
Female	45.5%
Minority	17.3%
Veterans	4.4%
In-Business	52.0%
Business Organization	
Sole Proprietorship	18.2%
LLC	14.0%
Corporation	10.9%
S Corporation	9.4%
Client Status	
Business Online	13.6%
Home Based	12.5%
Importer/Exporter	2.0%
Business Types	
Manufacturing	12.1%
Retail Trade	10.5%
Professional, Scientific, Technical Services	9.5%
Healthcare & Social Assistance	6.4%
Accommodation and Food Services	5.7%
Construction	3.3%
Wholesale Trade	3.2%
Educational Services	2.7%

The following chart illustrates the number of MSBDC established business clients by number of employees. This data is reported and verified by the MSBDC's centralized CenterIC database:

MASSACHUSETTS SMALL BUSINESS DEVELOPMENT CENTER						
Number of Employees						
State Fiscal Year 7/1/2014 - 6/30/2015						
	1 EMPLOYEE	2-10 EMPLOYEES	11-20 EMPLOYEES	21-50 EMPLOYEES	51-100 EMPLOYEES	OVER 100 EMPLOYEES
WESTERN REGIONAL OFFICE	59	62	13	9	1	0
NORTHEAST REGIONAL OFFICE	100	129	20	15	0	0
CENTRAL REGIONAL OFFICE	113	140	19	17	8	5
SOUTHEAST REGIONAL OFFICE	128	117	18	16	3	4
BOSTON REGIONAL OFFICE	51	72	12	5	2	0
BERKSHIRE REGIONAL OFFICE	48	43	5	6	0	0
INTERNATIONAL TRADE	11	51	26	43	26	27
GOVERNMENT ADVISING	20	57	18	17	5	6
TOTAL	530	671	131	128	45	42
PERCENTAGE	34.3%	43.4%	8.5%	8.3%	2.9%	2.7%

IV. MSBDC 2015 THIRD PARTY ECONOMIC IMPACT STUDY

The MSBDC 2015 Economic Impact Survey, which was conducted by a third party independent researcher and certified in writing by clients who were surveyed, examined the current business climate of clients receiving 5 or more hours of advising from MSBDC staff in 2013 through the programs mentioned above. The survey had a 29.7% response rate. A total of 92% of the respondents felt that MSBDC services were beneficial and 96% of established business clients would recommend MSBDC services. The survey showed that MSBDC clients:

- Outperformed average sales growth for all Massachusetts companies: 16.4% vs. 4.4%
- Produced higher job growth: 14% vs. the MA average of 1.6% for established firms
- Generated \$123.4 Million in total new sales revenue
- Generated \$10.64 Million in total tax revenue (\$6.64 Million in state tax revenue; \$3.99 Million in federal tax revenue)

The following is a comparison of the MSBDC compared to the average of the 58 of 63 SBDCs in the national program who participated in this study:

MSBDC ACHIEVEMENTS COMPARED TO NATIONAL ACHIEVEMENTS from the 2015 Third Party Economic Impact Study done by Dr. Chrisman		
	Massachusetts SBDC	National Average (58 Programs)
Response Rate	29.7%	16.2%
% Indicated Services Beneficial	92%	91%
% of Established Businesses Would Recommend Services	96%	95%
Established Businesses Rated Knowledge and Expertise (Max = 5)	4.61	4.52
Established Businesses Rated Working Relationship (Max = 5)	4.59	4.53
Outperformed Average State Sales Growth	16.4%	16.8%
Job Growth for Established Companies	14.0%	17.6%
Tax Revenues Generated for Every Dollar Spent on the Program	\$2.26	\$4.53
Benefit to Cost Ratio of Entire Operation	2.57 to 1	2.79 to 1
Benefit to Cost Ratio of Long Term Counseling	5.83 to 1	6.02 to 1
Financing Leveraged for Every Dollar Spent on the Program	\$24.85	\$21.24

The following chart shows the statistics from this Economic Impact study by MSBDC region:

2015 MSBDC REGIONAL ECONOMIC IMPACT for 2013-2014 Tracking Client Status in 2015 Resulting from MSBDC Advising in 2013								
	Berkshire	Boston	Central	IT	Govt Sales	Northeast	Southeast	Western
Aggregate sales impact	\$1,696,400	\$988,300	\$16,269,500	(\$11,597,700)	\$2,157,500	\$80,544,700	\$24,826,700	(\$1,062,600)
Aggregate employment impact	20 new jobs	49 new jobs	427 new jobs	-81 new jobs	246 new jobs	160 new jobs	470 new jobs	58 new jobs
Existing revenues maintained	\$6,349,000	\$1,521,000	\$84,504,600	\$104,810,000	\$56,328,600	\$14,459,000	\$13,699,500	\$42,175,800
Existing jobs saved	43	29	777	77	212	160	210	224
Total tax revenues generated	\$151,036	\$220,717	\$2,227,493	(\$832,492)	\$971,285	\$4,349,005	\$2,929,356	\$156,916
Benefit to cost ratio (x/1)	0.89	0.53	3.27	-2.24	4.11	8.11	6.21	0.34
Cost per job	\$8,525	\$8,431	\$1,630	NA	\$962	\$3,352	\$970	\$7,911
Total financing	\$1,520,100	\$2,921,600	\$49,140,400	\$0	\$3,400,000	\$23,105,000	\$18,166,500	\$108,800
Financing Leverage (x/1)	8.92	7.07	70.61	0.00	14.37	43.08	39.87	0.24
Response rate	51.8%	39.3%	33.3%	14.6%	21.4%	33.8%	28.3%	21.3%
Services judged beneficial	93%	95%	93%	83%	82%	98%	92%	82%

V. MSBDC ADVISING IN MASSACHUSETTS GATEWAY CITIES

The MSBDC Network regional offices and Mass Export Center work with Gateway Cities as part of their statewide regional service areas. The following table shows the number of clients serviced in each Gateway City in 2015:

STATE FY15 - FINAL - GATEWAY CITIES					
	# Clients	Contact + Prep Hours	Capital Formation	Jobs Created	Jobs Retained
Attleboro	16	89.70	\$40,000	3	0
Barnstable/Hyannis	6	29.00	-	-	-
Brockton	25	77.65	-	-	-
Chelsea	8	17.25	-	-	-
Chicopee	11	30.45	-	-	-
Everett	11	28.25	-	-	-
Fall River	67	306.59	\$522,000	4	8
Fitchburg	17	86.25	\$32,000	1	0
Haverhill	11	38.00	\$3,000	1	0
Holyoke	12	55.25	-	-	-
Lawrence	12	34.25	-	-	-
Leominster	20	116.75	\$375,000	2	18
Lowell	14	65.86	\$130,000	2	4
Lynn	39	101.65	\$5,600	2	0
Malden	17	89.75	-	-	-
Methuen	13	67.95	\$80,000	0	3
New Bedford	55	424.27	\$877,900	22	0
Peabody	41	120.26	\$286,910	5	0
Pittsfield	77	321.10	\$907,625	34	1
Quincy	26	344.35	\$400	1	0
Revere	19	51.75	-	-	-
Salem	84	334.68	\$957,900	23	10
Springfield	77	294.76	\$2,430,000	16	17
Taunton	19	118.98	\$324,659	3	3
Westfield	20	74.50	-	-	-
Worcester	133	1,229.01	\$1,042,000	23	9
TOTAL	850	4,548.26	\$8,014,994	142	73

VI. MSBDC TRAINING

The MSBDC's six regional offices and Mass Export Center's International Trade Offices provided 147 training sessions attracting 3,359 attendees in fiscal 2015:

MSBDC TRAINING		
State Fiscal Year 2015		
	Training Units	Training Attendees
Western Regional Office	30	424
Northeast Regional Office	47	1,054
Central Regional Office	11	251
Southeast Regional Office	22	330
Boston Regional Office/MBC	9	208
Berkshire Regional Office	7	112
Mass Export Center	21	980
STATEWIDE TOTAL	147	3,359

VII. MSBDC SPECIALTY CENTERS

Massachusetts Export Center

During the fiscal year, the MSBDC Massachusetts Export Center provided assistance to over 600 companies and delivered nearly 6,000 hours of export counseling and technical assistance to client firms. The Export Center also organized 24 export seminars and training programs held throughout Massachusetts and online, attracting 1,389 attendees. Export sales generated for clients during the fiscal year are expected to exceed \$150 Million.

Procurement Technical Assistance Center (PTAC)

The Procurement Technical Assistance Center (PTAC) program resources are concentrated on assistance to small, minority- and women-owned firms statewide with an emphasis on high areas of unemployment including Hub Zones. The program manager is housed at the MSBDC Western Regional Office in Springfield with procurement specialists housed in Springfield, Lawrence and Boston. PTAC provides technical assistance in bid matching for federal, state and municipal procurement opportunities. Much of the counseling services are performed at the client's firm location, making the technical support delivery available in a timely and cost effective manner. E-commerce, including registering, bidding and performing on-line, in a paperless environment is a vital part of federal contracting. The counseling staff supports vendors in those efforts. Technical data, such as military specifications, standards, pricing histories and technical information by part number will be supplied.

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 Program Manager
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MSBDC / Procurement Technical Assistance Center (PTAC)
 Program Summary

8/7/15

PTAC Counseling Areas	*Award Dollars	Jobs Created	Active Clients
Boston Area	\$ 7,839,211	20	265
Central (SBA funded area)			
Merrimack Valley	\$ 378,068	0	153
North Shore	\$ 12,776,045	1	287
Southeastern (SBA funded area)			
Western	\$ 12,561,135	12	206
	\$ 33,554,459	33	911

Agency Summary

Department of Defense (DoD)	\$ 4,628,434
Other Federal	\$ 20,702,107
State/Local	\$ 8,223,918
	\$ 33,554,459

Prime / Sub-contract Summary

Prime Contracts	\$ 33,025,659
Sub-contract	\$ 528,800
	\$ 33,554,459

11 PTAC Clients Reported 74 Awards Received, Totaling \$33,554,459 from 8/1/14 to 7/31/15

Training Workshop Events	Total Workshops	Attendees	Location
GSA Monthly Training Workshop	6	28	Boston
OSD Pre-certification Workshop	1	30	Boston
SBA e200 Class Presentation	1	12	Boston
Senator Warren 2nd Annual Matchmaker	1	75	Framingham
Veterans Administration Training and Webinar	1	20	Leeds
Acre Business Corridor	1	6	Lowell
Centerville Business Corridor	1	10	Lowell
Downtown Business Corridor	1	20	Lowell
NDIA/Natick Soldier Systems Ctr Innovation Day	0	200	Lowell
Capital Matchmaking / Business Coaching	1	15	Pittsfield
Keolis Supplier Diversity Outreach Event	1	30	Roxbury
New Client Orientation (Western Mass NCO)	7	9	Springfield
SBA Small Business Matchmaker Event	0	0	Springfield
SAME Small Business Showcase	1	25	Waltham
Military Asset and Security Strategy Task Force	1	60	Westfield
OSD Pre-certification Workshop	1	40	Worcester
Naval Underwater Warfare Center Veteran's Event	1	15	Newport, RI
DoD Northeast Regional Council Matchmaker-VT	<u>1</u>	<u>300</u>	Manchester, VT
	27	895	

VIII. MSBDC NETWORK SUPPORTING INNOVATION AND ENTREPRENEURSHIP

Export Training

The Export Center organizes a variety of webinars, seminars and conferences throughout the year to educate businesses on all aspects of exporting, including the latest developments on export regulatory and trade policy issues of concern to area exporters. Examples of training initiatives included: a webinar providing the latest updates on expanding Russia sanctions; a briefing on best practices for export screening to help exporters navigate increasingly complex screening requirements under federal law; a seminar on understanding and implementing Export Control Reform; a webinar series on compliance with U.S. economic and trade sanctions; an all-day Export Regulatory Compliance Update conference; and much more, including the Export Center's annual Export Expo. The Export Expo features a variety of workshops, exhibits and special guest speakers. This year's Expo featured a keynote address from Peter Harrell, Deputy Assistant Secretary for Counter Threat Finance & Sanctions for the U.S. Department of State, who addressed the rapidly changing sanctions environment and the outlook for future sanctions policy development.

Annual Seafood Buyers Tour

The MSBDC Mass Export Center organized its annual International Seafood Buyers tour which brought pre-qualified seafood buyers from around the world to New Bedford to tour four different seafood processing facilities and connect with area seafood suppliers. The buyers are hosted by Food Export USA to attend the Boston International Seafood Show. This year's tour was the largest yet, with 32 buyers from ten countries. Total preliminary export sales reported from the participating New Bedford seafood companies in the overall initiative exceeded \$4M.

Compliance Alliance

The MSBDC Massachusetts Export Center continued to expand and enhance its Compliance Alliance initiative, which provides a forum for exporting firms to network, share best practices, and stay current on export regulatory compliance issues. Nearly 100 Massachusetts exporting firms are members of the Compliance Alliance. During the year, the Export Center organized several best practice briefings for Compliance Alliance members and hosted special guests to provide updates on the latest export regulatory policy. Guests included Kevin Wolf, Assistant Secretary of Commerce for Export Administration, David Mills, Assistant Secretary of Commerce for Export Enforcement, and others.

Massachusetts Export Resource Center

The MSBDC Massachusetts Export Center began a comprehensive update of the Massachusetts Export Resource Center, a one-stop online resource for businesses to access a wide range of instructional and practical information on exporting. The Resource Center features a variety of educational tools, including on-demand training modules, guides, templates, and more. The final update will be published in the coming fiscal year.

Life Sciences

The MSBDC Mass Export Center engages in many activities that support the life sciences cluster in Massachusetts. The cluster, which includes medical devices, biotech, pharmaceuticals, laboratory instrumentation and medical capital equipment, represents over twenty percent of the state's exporting base. In addition to helping many exporting clients within the sector, the Export Center also engages in special activities to support the sector, including industry-specific seminars on export opportunities, customized market research, preparation of clients for major industry trade shows, and more. The Export Center also works closely with industry trade associations responsible for supporting the sector, including the Massachusetts Life Sciences Center, the Massachusetts Medical Device Industry Council and the Massachusetts Biotech Council.

MassChallenge, Cambridge Innovation Center and Venture Café

The MSBDC Boston Regional Office maintained its MassChallenge participation as a formal mentor and judge for the incubator/accelerator's fifth season, coaching a number of clients through trials, resulting in 11 who made the resident cut of 128, and six of who advanced to the cash prize finals. For the 5th year in a row an MSBDC Boston Regional Office client succeeded in winning a \$50K cash award. This year the winner was Paul Hayer of Sano which offers a disposable, low cost, Point-of-Care (POC) diagnostic platform with first focus on chronic wounds, quantitatively measuring wound biochemistry to personalize treatment, promote faster healing, and reduce treatment costs.

The MSBDC Boston Regional Office expanded its relationship with the Cambridge Innovation Center, establishing monthly office hours at three programs- the non-profit arm Venture Café, the Co-working Community (C3), and at District Hall, Boston Seaport Innovation District space joint venture with BRA resulting in one of the first public co-working spaces in the country. They also established a new outreach site relationship with WeWork, probably the most successful operators of co-working spaces nationwide, at its locations in Boston, South Station and in Fort Point.

Working with Incubators

The MSBDC Southeast Regional Office works closely with the incubator at UMass Dartmouth's Advanced Technology & Manufacturing Center (ATMC) advising clients, providing training and providing ongoing support to ATMC incubator companies. The Office is also working with their clients Sarah Athenas and Dena Haden who have opened *Groundwork!*, a business incubator at the Quest Center in New Bedford providing an affordable and inspiring shared office environment for creatives, startups, and freelancers.

Technology and Venture Forum Activity

The MSBDC Central Regional Office Senior Business Advisor/Technology Specialist has made significant progress in his effort to develop a strong network of support services in the technology sector. He continues his collaboration with local incubators such as Massachusetts Biomedical Initiatives (MBI), Running Start and TechSandBox. The advisor continues to participate in events in an effort to expand his client base. To that end, he has participated as a panelist at a Mass Ventures sponsored event entitled "The Path to Scale: Increasing Your Odds of Success in the

Worcester Ecosystem.” He also participated on a panel sponsored by the TechSandBox entitled, “Funding Deep Dive: Venture Capital, Angel Financing and Grants.” Other public presentations included, “Do You Have the Heart, Trials and Tribulations of an Entrepreneur” held at the VentureMeets meeting in Worcester, “Microprocessor Design for Early Stage Start-ups” at the TechSandBox and “Non-diluting Funding” at the TechSandBox. The advisor worked closely with the 128 Innovation Capital Group to co-sponsor a Piranha Pond Pitch Party that was held at Clark University. This event allowed eight entrepreneurs to pitch their ideas to five potential investors in front of an audience of over 50 people.

Government Sales Advisor Dan Lilly continues to work closely with the Central Regional Office to better address the needs of emerging technology companies interested in the Small Business Innovation Research Program (SBIR). This is a continuing effort designed to increase the MSBDC’s foothold in the technology and life sciences communities and to bring greater opportunities to the companies within that space. These efforts have resulted in an increase in SBIR applications and a number of successful awards totaling almost \$1.5M this fiscal year.

The MSBDC Southeast Regional Office participates in the Cape Cod Technology Council and Entrepreneurial Resource System at the Cape Cod Chamber of Commerce which provides support for high growth entrepreneurs. They are also active in SNEEF (Southern New England Entrepreneurs Forum) which fosters collaboration between universities, technology companies and investors. Their clients have presented and been panelists at the programs and they have drawn new clients from this program. SNEEF is housed at the UMASS Dartmouth Advanced Technology & Manufacturing Center in Fall River.

Advanced Manufacturing

The MSBDC Boston Regional Office participates in the Advanced Manufacturing Collaborative events, including regular meetings of the Capital Access Working Committee.

The MSBDC Southeast Regional Office, in partnership with the Mass Manufacturing Extension Partnership (MEP) and the New Bedford Chamber of Commerce, continues facilitation of a CEO Roundtable where company CEO’s meet monthly to discuss and advise each other on common challenges. As facilitators we also bring in external resources to inform and counsel them. The group continues to evolve and currently the majority are manufacturers.

In January, the MSBDC Berkshire Regional Office was invited to do a presentation at a closed business roundtable event facilitated by US Congressman Richard Neal and hosted at General Dynamics in Pittsfield which included the MSBDC PTAC program. In attendance were 37 advanced manufacturers who produce products in the supply chain for General Dynamics.

IX. FEATURED CLIENTS

MSBDC Boston Regional Office & Minority Business Center Client Sano Wins MassChallenge Cash

For a fifth year in a row, a client of the MSBDC Boston Regional Office/MBC has won a cash prize from MassChallenge, the state's largest business incubator/accelerator program. Regional Director Mark Allio has been working with Sano Founder Paul Hayre (pictured here with co-Founder Jeff Farmer) for the past year on honing his business development and funding strategy. Sano



offers a disposable, low cost, Point-of-Care (POC) diagnostic platform with its first focus on chronic wounds, quantitatively measuring wound biochemistry to personalize treatment, promote faster healing, and reduce treatment costs. In addition to MassChallenge, Paul and his team have racked up an amazing number of accolades reflecting the potential of their innovation, including:

- TechSandBox 2013 Pitch Fest- Winner- Angel Judging Panel and Audience Choice
- Harvard Business School Association of Boston 2014 New Venture Program- 1st Place
- The Venture Forum (formerly WPI Forum)- First place, Five-minute Pitch Contest
- Mass Medical Device Development Center (M2D2)- First place, New Venture Competition
- Harvard Business School 2014 Global New Venture Competition- Finalist
- MassVentures - First Place, Pitch it to Win It

Paul Sano notes, "We found Mark and the MSBDC because of his strong connections to Boston-area angel networks. Not only did he provide us with basic templates that kickstarted our fundraising in town, but his expert advice and approach along the way helped us communicate clearly and effectively the salient aspects of Sano's business strategy. We are extremely grateful for Mark's past and continuing contributions to our evolution as we in turn plan to incite a revolution in chronic wound care."

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MSBDC Client Todd Snopkowski of Boston-based Snapchef Wins SBA Massachusetts Small Business Person of the Year Award

Todd Snopkowski, Owner and Founder of Snapchef, was named the 2015 Massachusetts SBA "Small Business Person of the Year." Snapchef is a chef owned-and-operated company, specializing in providing culinary staff - both temporary and permanent placement -- to the most prestigious food service companies in New England.

In 2002, Snopkowski saw an opportunity to solve a problem in the food service industry when he carved a niche market for Snapchef to become the region's leader in culinary training and staffing. Today there are over 250 Snapchef employees who service institutional and corporate food service clients such as Sodexo, Compass, Unidine, Nexdine, Café Services and Harvard University at over 200 locations spread out over 4 states.



Like many small businesses experiencing explosive growth in their early years, Snapchef faced challenges in managing the growth, cash flow and its ability to continue smooth business operations during this critical time. With the help of the MSBDC Central Regional Office and the Boston Regional Office/MBC he explored ways to address the problems he was facing in order to continue growing the business. As a result, Snopkowski was able to expand Snapchef from a 300 square foot office - to a facility of over 7000 square feet in South Boston-- with the help from supporters that included MSBDC and the City of Boston. In 2013, Snapchef added a new culinary training center in South Boston, which Todd Snopkowski now owns. Help from Radius Bank and Granite State Economic Development Corporation was secured to utilize the SBA 504 program that allowed him to purchase the property, and he also utilized the SBA 7A and SBA Express guaranteed loan programs to consolidate debt, and to support receivables through a traditional bank line of credit and position his business for further growth.

For Snopkowski, it's the culmination of many years of hard work. "I am thrilled to be honored as the 'SBA Small Business Person of the Year' and am so grateful for the help I've had from them along the way. The SBA has been an invaluable resource for me, especially during our growth spurt these last few years," he says. "When your company expands at such a rapid pace, it's exciting, but if you don't make the right decisions, you can risk losing what you've worked so hard to create. I've got a great team, and a lot of incredible mentors, and I intend to pay forward what I've learned to other small business owners to help them realize their full potential."

Todd Snopkowski was honored along with the other Massachusetts Small Business Week 2015 award winners at an event at Sheraton Framingham on May 4, 2015.

Taken from a press release by Norman Eng of SBA

###

Westborough-based EMSEAL Wins Massachusetts and New England SBA Exporter of the Year Award



Release Date: Tuesday, April 28, 2015
Release Number: 15-17
Contact: Norman Eng, 617-565-8510
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BOSTON – EMSEAL has been named the 2015 Massachusetts and New England SBA Exporter of the Year. EMSEAL manufactures innovative expansion joints and sealants to allow large buildings, such as: stadiums, office buildings, hospitals, malls, and airports – to adjust to environmental shifts without being damaged, improve public safety conditions and enable sustainability through energy conservation.

Since 2004, EMSEAL has been supported by the free business advisory services of the Massachusetts Export Center which is part of the Massachusetts Small Business Development Center -- supported by SBA, the Massachusetts Department of Business Development and the University of Massachusetts Amherst, Isenberg School of Management. In addition, in 2013 EMSEAL received a \$10,000 STEP grant for export assistance that was used to fund an international trade mission and seminar program in the United Kingdom.

As a result of this relationship, EMSEAL was able to identify and evaluate international distributors in numerous foreign markets. Today EMSEAL has significantly increased its geographic footprint by expanding into some very challenging emerging markets, including: Afghanistan, Iraq, Ukraine, Jordan, Indonesia, India, and others.

- In 2014, EMSEAL had 92 employees and export sales accounted for about 10-12 percent of the company's revenue and have grown 25-30 percent over the last four years.

- As a result of strong export performance, the company recently created 8 new export jobs, including 2 export sales manager positions, 1 logistics coordinator position and 5 manufacturing positions.
- EMSEAL has about 60 international distributors in almost 50 countries worldwide and is poised for a much stronger increase in export sales over the next several years.

The evaluation criteria for the exporter award includes staying power, growth in number of employees, increase in sales, current and past financial performance, innovativeness of product, response to adversity and contributions to community-oriented projects.

“The Exporter of the Year award by the SBA is significant and it is noteworthy that EMSEAL was named not only the MA Exporter of the Year, but also the New England Exporter of the Year. The rallying wisdom at EMSEAL is “This is not our recession – we will not participate” and the numbers show the results...a fantastic business that has expanded over time with increased revenues, profitability, territories and employees.” said Robert H. Nelson, Massachusetts District Director.

EMSEAL [was] honored along with the other Massachusetts Small Business Week 2015 award winners at a luncheon event at Sheraton Framingham on May 4, 2015.

###

Article published by the SBA Boston District Office

EMSEAL: How a \$10 Thousand Grant Turned into a \$1.5 Million Sale

Federal grants for starting a business do not exist -- but there are certain grants for growing a business and other initiatives that help achieve specific agency agendas. For example, in order for America to be competitive globally -- the SBA administers grants for small businesses conducting scientific research & development and innovation in high-tech (SBIR/STTR). Government grants are very competitive and have strict rules for what the funds can be used for. The STEP (State Trade and Export Promotion) grant originated because of the Small Business Jobs Act of 2010. Part of this law builds on the President’s National Export Initiative, supporting and promoting American companies to grow sales outside the United States and create jobs – which is why we have the STEP program.

Westborough, Massachusetts-based EMSEAL took full advantage of SBA’s STEP program in 2013 -- using a 10K grant to fund a trade mission to the United Kingdom and a targeted print media campaign to raise awareness about the company. EMSEAL leveraged this opportunity to connect with key decision-makers in the architectural design and engineering fields responsible for the construction of large commercial and public projects around the world. EMSEAL’s closing of a \$1.5 million sale to help fortify the new construction of King Abdullah Sports City Stadium in Jeddah, Saudi Arabia – was one of the many successes as a result of the STEP program nationally. In addition to the export

contract won in Saudi Arabia, other notable sales that year included London's Heathrow Airport and the San Francisco 49ers' new Levi's Stadium domestically – making a record year for the company.

How did they do it? Since 2004, EMSEAL has been guided by the free business advisory services of the Massachusetts Export Center, which is part of the Massachusetts Small Business Development Center – supported by SBA, the Massachusetts Department of Business Development and the University of Massachusetts Amherst, Isenberg School of Management.

As a result of developing a longstanding relationship with their local international trade specialist – Julia Dvorko, PhD., Central MA Regional Director for MA Export Center – EMSEAL has been able to identify and evaluate international distributors in numerous foreign markets and significantly increase its geographic footprint into some very challenging emerging markets, including: Afghanistan, Iraq, Ukraine, Jordan, Indonesia, India, among other nations. Julia worked with EMSEAL's International Project Manager, Bashar Moussallieh to access expert resources such as U.S. Commercial Service and the State of Massachusetts Office of International Trade and Investment that led to valuable connections paving the way to exponential export growth. In 2014, exports accounted for about 12% of the company's total revenue – growing about 30% from the previous four years. As a result of the new business and growing interest in their products worldwide, EMSEAL was also able to create eight new jobs. Today, EMSEAL has about 60 international distributors in almost 50 countries worldwide and is poised for a much stronger increase in export sales over the next several years.

“Export has always been a part of our business, my father and family immigrated to Massachusetts from South Africa in 1979 -- and I think that we brought with us the feeling that the world is not such a terribly big place after all, and with the right approach, you can benefit from it in business.” said Lester Hensley, CEO of EMSEAL at an export event.

This year, EMSEAL was recognized doubly for all their success, being awarded with the 2015 New England Exporter of the Year and also 2015 Massachusetts Exporter of the Year.

“The Exporter of the Year award by the SBA is significant and it is noteworthy that EMSEAL was named not only the MA Exporter of the Year, but also the New England Exporter of the Year. The rallying wisdom at EMSEAL is “This is not our recession – we will not participate” and the numbers show the results...a fantastic business that has expanded over time with increased revenues, profitability, territories and employees.” said Robert H. Nelson, Massachusetts District Director.

###

Westborough-based H&S Environmental wins SBA Massachusetts Woman-Owned Business of the Year Award

Published on Tuesday, April 21, 2015

H&S Environmental has been named the winner of the 2015 Massachusetts Woman-Owned Business of the Year award according to an announcement by Robert Nelson, Massachusetts SBA District Director.

"H & S is a business that has grown from 3 employees to 42 since 2003, many of which are women, minorities or veterans themselves. The business is also a woman-owned business which has successfully competed in the government contracting space earning the respect of many along the way through hard work, ethics and professionalism." said Robert Nelson. "Debi is a leader in all respects and we are honored to be recognizing her accomplishments as our Massachusetts Women-Owned Business of the Year for 2015."

Debi Heims started H&S environmental remediation services over a decade ago from the basement of her house, receiving her first contract from a petroleum company. As a result of her leadership and perseverance, H&S has grown to 42 employees since their inception in 2003. Debi is the sole owner of H&S and learned to leverage the SBA programs offered to disadvantaged, woman-owned businesses. H&S joined SBA's 8(a) Business Development Program and started out as a subcontractor to large firms needing to fulfill socio-economic prime contracting goals - receiving guidance from the Contracting team at the SBA Massachusetts District Office. As a result, Debi has developed a twelve-year history for H&S, touting a proven track record for: financial stability, profitable growth, increased employment, and an impeccable safety record.

Debi also utilized the free business advisory services of Sandra Ledbetter, Government Sales Advisor for the Massachusetts Small Business Development Center (MSBDC) network which is supported by SBA, the Massachusetts Department of Business Development and the University of Massachusetts Amherst, Isenberg School of Management. In this role, MSBDC advisors help small disadvantaged business owners like Debi to navigate the government contracting market and assist with vital connections that enable them to grow.

H&S has executed many innovative technologies, including: the design and construction of Low Impact Development (LID) technologies and costing data for the United States Army Corps of Engineers (USACE) Baltimore District; pilot studies for the treatment of explosive-contaminated soils for the USACE Omaha District; and innovative treatment technologies at various locations for the US Navy. Because of its positive track record, H&S continues to grow its client base and expand nationwide, which includes: New England, Philadelphia, Baltimore, Savannah and Omaha districts; the US Navy; the US Air Force; NASA; the US Coast Guard; the Department of Homeland Security; HUD; the EPA; and the Massachusetts Air National Guard.

The Woman-Owned Small Business of the Year award is presented annually for developing a growing business; with three years' evidence of success in sales and profits, increased jobs, innovative product, and demonstrated potential. Debi Heims was nominated for this award by Eva Marie D'Antuono, US Army Corps of Engineers. Debi Heims will be honored at an SBA awards lunch along with the other 2015 Massachusetts Small Business Week winners at the Sheraton Framingham on May 4, 2015.

###

SBA Massachusetts Kicks Off National Small Business Week with Governor Baker

SBA Release Number: 15-22
617-565-8510

Contact: Norman Eng

BOSTON – In honor of National Small Business Week, the SBA Massachusetts District Office along with SCORE Worcester and SCORE Boston chapters hosted an annual celebration to recognize bay state entrepreneurs at the Framingham Sheraton. During this event, about 300 people attended to support Massachusetts award winners – including Governor Charlie Baker, who delivered the keynote speech. The highest honor, Small Business Person of the Year – went to Todd Snopkowski, President and Founder of Snapchef, a chef owned-and-operated culinary staffing firm serving the most prestigious food service companies in New England.

Snapchef is a job creation machine that currently employs about 250 people and has helped place over 1000 hospitality workers. Starting from a 300 square foot office – Todd expanded his rapidly growing company to a facility of over 7000 square feet in South Boston. In 2013, Snapchef added a new culinary training center in South Boston, which Todd Snopkowski now owns. Help from Radius Bank and Granite State Economic Development Corporation was secured to utilize the SBA 504 program that allowed him to purchase the property, and he also utilized the SBA 7A and SBA Express guaranteed loan programs to consolidate debt, and to support receivables through a traditional bank line of credit and position his business for further growth.

“Todd Snopkowski and Snapchef exemplify perfectly what this very significant SBA award is intended to recognize,” said Robert H. Nelson, Massachusetts District Director of the SBA. “The business is not only rapidly growing and creating a significant number of jobs, but Todd has also touched the lives of so many over the history of the business due to his passion for the business and the community.”

For Snopkowski, it’s the culmination of many years of hard work. “I am thrilled to be honored as the ‘SBA Small Business Person of the Year’ and am so grateful for the help I’ve had from them along the way. The SBA has been an invaluable resource for me, especially during our growth spurt these last few years,” he says. “When your company expands at such a rapid pace, it’s exciting, but if you don’t make the right decisions, you can risk losing what you’ve worked so hard to create. I’ve got a great team, and a lot of incredible mentors, and I intend to pay forward what I’ve learned to other small business owners to help them realize their full potential.”

Todd [traveled] to Washington D.C. this week for a special event held at the White House to honor every Small Business Person of the Year from around the country.

###

NEWS

NEWS ► MASSACHUSETTS SMALL BUSINESS DEVELOPMENT CENTER NETWORK ITS CLIENTS HONORED

News

Massachusetts Small Business Development Center Network & Its Clients Honored

May 20, 2015



The [Massachusetts Small Business Development Center \(MSBDC\)](#) network's Berkshire Office and eight of the Isenberg-based statewide network's clients were honored on May 4 at the annual New England-wide *Massachusetts Awards Ceremony* associated with National Small Business Week. Hosted in Framingham by the U.S. Small Business Administration and SCORE, the gathering named the Berkshire Regional Office as recipient of its *Small Business Development Center Excellence and Innovation Award*.

Leveraging its small, dedicated team, the regional center noted the awarding body, exceeded deliverable goals by advising 199 client firms.

Through a "guerilla partnering" approach to outreach with institutional partners and other stakeholders in its community, the center significantly expanded its footprint with the public.

MSBDC Boston Regional Office client **Todd Snopkowski**, president of Snapchef, which provides culinary staff, received top honors as *Small Business Person of the Year*. Other honorees and their MSBDC affiliations (in parentheses) appear below:



- Family-owned Small Business of the Year—PTS Truck-Trailer-Construction Equipment Supply (Western Massachusetts Regional Office)
- Minority-owned Small Business of the Year—Ace Medical Services (Central Massachusetts Regional Office)
- Woman-owned Small Business of the Year—H & S Environmental (Government Sales Program)
- Microenterprise Business of the Year—BioSurfaces (Central Massachusetts Regional Office) Region 1
- Prime Contractor of the Year—Mabbett & Associates (Procurement Technical Assistance Center)

- Massachusetts & New England SBA Small Business Exporter of the Year—EMSEAL Joint Systems (Massachusetts Export Center)
- Massachusetts & New England SBA 8(a) Graduate of the Year—Hector Sanchez, P&S Construction (Procurement Technical Assistance Center)

“The number of MSBDC clients who secured awards in a single year was phenomenal. It’s a testimony to the prowess of our expert staff in advancing the climate and opportunities for small businesses in the Commonwealth,” emphasizes MSBDC state director **Georgianna Parkin**.

Two graduates of Isenberg’s MBA program—**Julia Dvorko ‘97** (regional director of the Massachusetts Export Center’s Central Massachusetts office) and **Nancy Shulman ‘77** (senior business advisor with MSBDC’s Berkshire Regional Office) played roles in the honors associated with their centers.

About the MSBDC Network

Isenberg is state headquarters for the Massachusetts Small Business Development Center (MSBDC) network, a federal-state partnership providing one-to-one free, comprehensive and confidential services focusing on business growth and strategies, financing and loan assistance, and strategic analysis. The statewide network’s regional and specialty centers offer three integrated product/service lines: Business Advisory Services, Government Contracting and International Trade Assistance.

###

MSBDC NETWORK CONTACT INFORMATION

State Office

Georgianna Parkin, State Director
Valerie Conti, Assistant State Director
University of Massachusetts
Isenberg School of Management
Amherst, MA 01003
(413) 545-6301
www.msbdc.org

Berkshire Regional Office

33 Dunham Mall, Suite 103
Pittsfield, MA 01201
(413) 499-0933
www.msbdc.org/berkshire

Boston Regional Office & Minority Business Center

University of Massachusetts
Wheatley Bldg., 3rd floor
Boston, MA 02125
(617) 287-7750
www.sbdc.umb.edu

Central Regional Office

Clark University
125 Woodland Street
Worcester, MA 01610
(508) 793-7615
www.clarku.edu/offices/sbdc

Massachusetts Export Center

Paula Murphy, Director
State Transportation Building
10 Park Plaza, Suite 3730
Boston, MA 02116
(617) 973-8664
www.mass.gov/export

Northeast Regional Office

Salem State University
SSC Enterprise Center
121 Loring Ave, Suite 310
Salem, MA 01970
(978) 542-6343
www.salemstate.edu/sbdc

Procurement Technical Assistance Center (PTAC)

Peter Cokotis, Program Manager
University of Massachusetts
Isenberg School of Management
Amherst, MA 01003
(413) 545-6307
www.msbdc.org/ptac

Southeast Regional Office

200 Pocasset Street
Fall River, MA 02721
(508) 673-9783
www.msbdc.org/semass

Western Regional Office

Springfield Enterprise Center
Springfield, MA 01105
(413) 737-6712
www.msbdc.org/wmass

Massachusetts Small Business Development Center Network Outreach Sites

Boston Regional Office & Minority Business Center

Arlington:	Arlington Chamber of Commerce
Boston:	Bunker Hill Community College Cambridge Innovation Ctr: District Hall Harvard innovation laboratory (i-Lab) WeWork (Fort Point) WeWork (South Station)
Cambridge:	Cambridge Innovation Center C3 Co-Working Space Cambridge Innovation Ctr: Venture Café Connect
Chelsea:	Connect
Newton:	Newton-Needham Chamber of Commerce
Quincy:	Quincy Center for Innovation Quincy Chamber of Commerce
Somerville:	Somerville Chamber of Commerce
Waltham:	Waltham West Suburban Chamber

Central Regional Office

Acton:	Middlesex West Chamber of Commerce
Devens:	Nashoba Valley Chamber of Commerce
Fitchburg:	North Central Massachusetts Chamber
Framingham:	Metro West Chamber of Commerce
Franklin:	United Regional Chamber of Commerce
Gardner:	Greater Gardner Chamber of Commerce
Marlborough:	Marlborough Regional Chamber
Milford:	Milford Area Chamber of Commerce
Westborough:	Corridor Nine Chamber of Commerce
Whitinsville:	Blackstone Valley Chamber of Commerce
Worcester:	Worcester Regional Chamber of Commerce

Northeast Regional Office

Amesbury:	Amesbury Chamber of Commerce
Beverly:	Beverly Chamber of Commerce North Shore InnoVentures
Billerica:	Billerica Community Alliance, Inc.
Gloucester:	Cape Ann Chamber of Commerce
Lawrence:	Merrimack Valley Chamber of Commerce Northern Essex Community College
Peabody:	Peabody Chamber of Commerce

Berkshire Regional Office

Great Barrington:	Berkshire Bank
North Adams:	Mass MoCA

Southeast Regional Office

Attleboro:	United Regional Chamber of Commerce
Barnstable:	Cape Cod Chamber of Commerce Cape Cod Community College
Bridgewater:	Bridgewater State University
Brockton:	Brockton 21st Century Corporation Metro South Chamber of Commerce
Buzzards Bay:	Cape Cod Canal Region Chamber
Fall River:	Fall River Area Chamber of Commerce & Industry
Falmouth:	Falmouth Chamber of Commerce
Mansfield:	HarborOne U Tri-Town Chamber of Commerce
Martha's Vineyard:	Martha's Vineyard Chamber of Commerce
Middleborough:	Cranberry Country Chamber of Commerce
Nantucket:	Nantucket Island Chamber of Commerce
New Bedford:	Downtown New Bedford, Inc. New Bedford EDC
North Attleboro:	United Regional Chamber of Commerce
Norwood:	Neponset Valley Chamber of Commerce
Plymouth:	Plymouth Area Chamber of Commerce
Rockland:	South Shore Chamber of Commerce
Taunton:	SEED Corporation Taunton Area Chamber of Commerce

Western Regional Office

Amherst:	Amherst Area Chamber of Commerce
Greenfield:	Franklin County Chamber of Commerce
Northampton:	Greater Northampton Chamber



Massachusetts Small Business Development Center Network
23 Tillson Farm Road, University of Massachusetts, Amherst, MA 01003
413-545-6301
www.msbdcenter.org



NOTES:



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

September 19, 2013

Ms. Georgianna Parkin
State Director
Small Business Development Center
University of Massachusetts, Amherst
23 Tillson Farm Road
Amherst, MA 01003-9261

Dear Ms. Parkin:

Enclosed is the final financial examination report (Level III on-site review) of the Massachusetts Small Business Development Center network for the Program Year 2012 performed during August 5-8, 2013.

We appreciate the high level of cooperation you have demonstrated throughout the examination process. This will conclude the current examination of your network.

If there are any questions regarding the final report, please contact Dr. Ricardo S. Garcia, our Director of Financial Examinations at Ricardo.Garcia@sba.gov or at 202-205-6498.

Sincerely,

Carroll A. Thomas
Associate Administrator
Office of Small Business Development Centers

Enclosure

cc: Seth Goodall, SBA Regional Administrator
Robert Nelson, SBA District Director
Ann Maltese, ASBDC Accreditation Program Manager, Burke, VA
Anne Hunt, Project Officer
OSBDC Program Manager
Carol Sprague, Director, OGCA
FEU
Grant File

Small Business Administration

Office of Entrepreneurial Development
409 Third St, SW 6th Floor
Washington DC 20416

Financial Examination of the Massachusetts Small Business Development Center



Report No. 13-20

Date: 9/13/2013

Cooperative Agreement: SBAHQ-12-B-0003



September 13, 2013

Associate Administrator for Small Business Development Centers
Office of Small Business Development Centers
Washington, DC

The attached financial examination (Level III on-site review) was conducted during August 5-8, 2013, of the Massachusetts Small Business Development Center (MA-SBDC) network, including the lead center at Amherst, MA, and the Small Business Development Centers (SBDCs) at Worcester, MA; Boston, MA; and Salem, MA. The scope of the financial examination focused on validating the adequacy of the MSBDC network financial management procedures to ensure compliance with financial laws, regulations, and policies of the SBDC Program.

The overall objective of the financial examination was to determine whether the MSBDC network had controls in place to ensure: (1) the accuracy of the reported financial management data; (2) costs incurred and claimed for reimbursement were allowable and allocable; (3) compliance with applicable laws and regulations, policies, operating procedures as it pertains to financial management. This was accomplished by reviewing samples of Financial Reporting, Cash Disbursements, Indirect Cost, Program Income, and other financial requirements of the SBDC Program.

Overall, MSBDC is in compliance with the financial objectives of the SBDC Program. Based on the review of the limited data examined, there are no findings requiring attention.

Please extend my sincere thanks to the MSBDC for the cooperation and courtesies they afforded the Financial Examination Unit during this examination.



Dr. Ricardo S. Garcia
Small Business Administration
Office of Entrepreneurial Development
Director, Financial Examinations

Executive Summary:

A financial examination (Level III on-site review) was conducted August 5-8, 2013, of the Massachusetts Small Business Development Center (MSBDC network including the lead center at Amherst, MA, and the Small Business Development Centers (SBDCs) at Worcester, MA; Boston, MA; and Salem, MA. The overall objectives of the Small Business Administration (SBA) financial examination process are to determine whether the MSBDC network has controls in place to ensure: (1) the accuracy of the reported financial and management data; (2) whether costs incurred and claimed for reimbursement were allowable and allocable; (3) compliance with program policies, operating procedures, applicable laws and regulations. The scope of the financial examination focused on the adequacy of the MSBDC network management to ensure compliance with policies, laws, and regulations of the SBDC Program. This was accomplished by reviewing MSBDC's compliance with the Reporting, Time and Effort, Cash Disbursements, Indirect Cost, and Program Income requirements of the SBDC Program.

MSBDC reported Federal expenditures of \$2,088,516.88 for the network, which was matched with \$1,060,226.92 in cash match, \$0.00 of In-Kind Contribution, and \$1,097,071.40 of waived Indirect Costs.

Findings: There are no findings to report

I. EXAMINATION PURPOSE

The overall objective of the SBA financial examination process is to determine whether the SBDC network has controls in place to ensure: (1) the accuracy of the reported financial and management data; (2) whether costs incurred and claimed for reimbursement were allowable and allocable; (3) compliance with program policies, operating procedures, applicable laws and regulations.

Pursuant to 15 USC 648 § 21(k) (1) of the Small Business Act (the Act) and the Code of Federal Regulations (CFR) 13, Part 130 which require the Office of Small Business Development Centers (OSBDC) to perform a financial and programmatic examination of each SBDC network every two years.

This examination was conducted during August 5-8, 2013, and covered the SBDC operations for Program Year 2012. Our examination focused on the financial activities of the MSBDC. The Centers included in our review were as follows:

- University Massachusetts - Amherst SBDC Lead Center, Amherst, MA
- Clark University; Central Regional Office SBDC, Worcester, MA
- University of Massachusetts – Boston; Boston Regional Office and Minority Business Center SBDC, Boston, MA
- Salem State University; Northeast Regional Office SBDC, Salem, MA

The findings and opinions noted in this report pertain solely to the centers and samples selected. This examination does not substitute for audits required of Federal grantees under the Single Audit Act of 1984 or Office of Management and Budget (OMB) Circular A-110 or A-133. Named users of this report are the SBA, the Association of Small Business Development Centers (ASBDC) Accreditation Committee, the University of Massachusetts, and the MSBDC network. This report is not intended as a basis for reliance or action by any other users.

II. CORRECTIVE ACTIONS RESULTING FROM PREVIOUS EXAMINATION

For the last examination cycle in 2011, the Massachusetts SBDC network was rated a Level I and no examination was conducted.

III. RESULTS OF CURRENT EXAMINATION

Reporting

No Finding - Although reporting cycles were not tested by the financial examiner, the required financial reports have been submitted within SBA's specified closing dates. Overall, the general ledgers properly supported all requests for reimbursement submitted by the network service centers to the lead center.

Service Center Monitoring

No Finding – The examination included a review of sample transactions of Federal expenditures from the lead center and selected service center's general ledgers, invoices and supporting documents. The review included samples of expenditures for personnel salaries and direct operating costs. The lead center has sufficient expertise, staffing, and procedures in place to oversee all financial activities of the MSBDC network.

Time & Effort

No Finding – The examination included a review of time and effort for employees at the lead center and selected service centers. The review included samples of timesheets and certifications for employees working on the SBDC program.

Cash Disbursements (Federal and Matching)

No Finding - The examination included a review of transaction activity from the lead center and selected service center's general ledger accounts. Invoices and support documentation, together with sample expenditures for personnel salaries and direct operating costs were used. As a general rule, ledgers have properly supported all requests for reimbursement, submitted by the service centers to the lead center. The examination included a test of 39 transactions:

- 15 transactions at the Lead Center
- 10 transactions at Central Regional Office SBDC, Worcester, MA
- 7 transactions at Boston Regional Office SBDC, Boston, MA
- 7 transactions at Northeast Regional Office SBDC, Salem MA

The Federal Financial Report, SF-425, was supported by a crosswalk spreadsheet maintained by the lead center. The lead center reported Federal expenditures of \$2,088,516.88 for the network, which was matched with \$1,060,226.92 in cash match.

The MSBDC network appears to have adequate controls in place to ensure that costs claimed by the service centers are reasonable, allowable, and allocable.

Indirect Costs

No Finding - The MSBDC network Federal Financial Report, SF-425, reported a total of \$1,097,071.40 for Indirect Costs. A detailed breakout of Indirect Cost shows the amount reimbursed by Federal funds for the period totaled \$0.00 with \$1,097,071.40 reported as waived indirect non-cash matching costs. The examiner reviewed all Indirect Cost agreements for the MSBDC network and found that Indirect Costs appeared to be calculated correctly and in accordance with documented agreements.

In-Kind Match

No Finding - The MSBDC network did not report any In-Kind Match contributions for the period October 1, 2011 - September 30, 2012.

Program Income Receipts and Disbursements

No Finding - Program Income activity from the network was reported on SBA Form 2113 (Program Income Report) and further supported by the lead center's internal schedule or spreadsheet of network Program Income. The examination included a review of selected transactions with no discrepancies.

The lead center reported a network opening balance on October 1, 2011 of \$285,251.70 and \$151,652.45 in revenue and \$128,634.89 in expenses for the period. The MSBDC network reported a closing Program Income balance of \$308,269.26 for the period ending September 30, 2012.

A review of the ending balance shows that the MSBDC is within the 25% policy that requires SBDCs to expend any Program Income exceeding 25% of their total budget. This was tested by the examiner and determined to be within the limits as established in the Program Announcement and the Notice of Award and therefore the MSBDC is in compliance with this requirement.

Massachusetts SBDC
SBAHQ-12-B-0003

RESULTS OF CURRENT EXAMINATION

Results of our Examination of Cost Claimed on the Federal Financial Report (SF-425) for the Period 10/01/2011 thru 09/30/2012

Item Number	Item Description	Claimed	Examiner Adjustment	Adjusted Amount	Ref. Page
Federal Cash					
10a	Cash Receipts	\$1,967,387.98	\$0.00	\$1,967,387.98	
10b	Cash Disbursements	\$2,088,516.88	\$0.00	\$2,088,516.88	
10c	Cash on Hand (a minus b)	-\$121,128.90	\$0.00	-\$121,128.90	
Federal Expenditures and Unobligated Balance:					
10d	Total Federal Fund Authorized	\$2,172,398.00	\$0.00	\$2,172,398.00	
10e	Federal Share of Expenditures	\$2,088,516.88	\$0.00	\$2,088,516.88	
10f	Federal Share of Unliquidated Obligations	\$0.00	\$0.00	\$0.00	
10g	Total Federal Share (sum of lines e and f)	\$2,088,516.88	\$0.00	\$2,088,516.88	
10h	Unobligated Balance of Federal Funds (line d minus g)	\$83,881.12	\$0.00	\$83,881.12	
Recipient Share:					
10i	Total Recipient Share Required	\$2,088,515.88		\$2,088,515.88	
10j	Recipient Share of Expenditures	\$2,157,298.32		\$2,157,298.32	
10k	Remaining Recipient Share to be Provided (line i minus j)	-\$68,782.44	\$0.00	-\$68,782.44	
Program Income:					
10l	Total Federal Program Income Earned	\$0.00	\$0.00	\$0.00	
10m	Program Income Expended in Accordance with the Deduction Alternative	\$0.00	\$0.00	\$0.00	
10n	Program Income Expended in Accordance with the Addition Alternative	\$0.00	\$0.00	\$0.00	
10o	Unexpended Program Income (line l minus line m or line n)	\$0.00	\$0.00	\$0.00	

SUMMARY OF RESULTS

Based on the limited testing of the data available from the lead center and the selected service centers, it was determined that the MSBDC network:

1. Is in compliance with Reporting requirements;
2. Is in compliance with monitoring of the financial activities of its Service Centers;
3. Is in compliance with Time & Effort reporting;
4. Is in compliance with monitoring of its Cash Disbursement requirements;
5. Is in compliance with Indirect Cost requirements;
6. Is in compliance with In-Kind Match requirements;
7. Is in compliance with Program Income requirements.