



November 20, 2019

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General CourtHis Excellency, Governor Christopher T. Sununu
and the Honorable Executive Council
State House
Concord, New Hampshire 03301**REQUESTED ACTION**

1. Pursuant to RSA 9:16-c, I, authorize the Department of Business and Economic Affairs to transfer funds between class lines in the amount of \$24,366 and create a new expenditure class for Class 040 Indirect Costs and a new expenditure Class for 041 Audit Fund Set Aside effective upon Fiscal Committee and Governor and Executive Council approval through June 30, 2021. **100% Federal Funds.**

State Trade and Export Program 03-22-22-220510-20920000					
Class	Description	Account	FY2020 Budget	Requested Change	FY2020 Adjusted Budget
Revenue					
000	Federal Funds	403944	\$250,000		\$250,000
Expense					
040	Indirect Costs	500800	\$0	\$24,124	\$24,124
041	Audit Fund Set aside	500801	\$0	\$242	\$242
102	Contracts for Program Services	500731	\$250,000	(\$24,366)	\$225,634
	Total		\$250,000	\$0	\$250,000

EXPLANATION

The US Small Business Administration's State Trade Expansion Program (STEP) grant program, which was created under the Small Business Jobs Act legislation, awards financial assistance grants to states for the purpose of furthering their efforts of assisting small businesses in preparing for new international markets, complying with trade regulations, accessing export financing, and participating in international trade shows and trade missions. These grants allow for the creation of specialized programs to focus on international markets with the highest growth potential and to engage industries with the greatest and most immediate ability to compete successfully.

The State of New Hampshire has successfully been awarded STEP funds in seven previous rounds of this competitive grant, making the current cycle the eighth round of funding. New Hampshire is one of forty-one states to receive a STEP grant award this year.

The following transfers are being requested for Fiscal Year 2020:

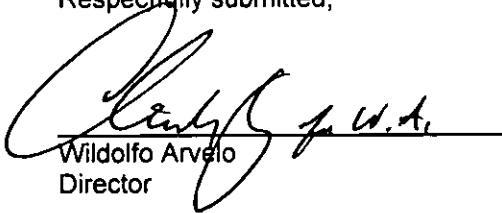
Class	Class Description	Amount	Purpose
040-501587	Indirect costs	\$24,124	Amount budgeted to cover indirect costs (10%)
041-500801	Audit Fund Set Aside	\$242	Amount budgeted to cover audit fund set aside percentage (.001)

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions:

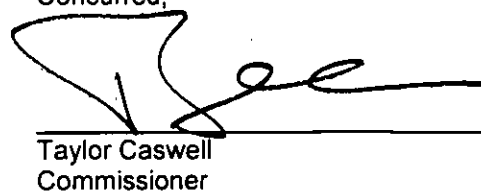
- 1) *Does the transfer involve continuing programs or one-time projects?* The transfer involves the continuation of the program that allows the department to assist NH's small businesses.
- 2) *Is this transfer required to maintain existing program level or will it increase the program level?* This transfer is required to maintain existing program levels and to allow the department to recoup indirect cost related to the federal funds.
- 3) *Cite any requirements which make this program mandatory.* There are none.
- 4) *Identify the source of funds on all accounts listed on this transfer.* The source of funds is 100% federal funds.
- 5) *Will there be any effect on revenue if this transfer is approved or disapproved?* Yes, if the transfer is not approved, the department will not be able to seek reimbursement for the indirect costs or the audit fund set aside cost.
- 6) *Are funds expected to lapse if this transfer is not approved?* No
- 7) *Are personnel services involved?* No personnel services are involved.

In the event that Federal Funds are no longer available, General Funds will not be requested to continue the support of this program.

Respectfully submitted,


Wildolfo Arvelo
Director

Concurred,


Taylor Caswell
Commissioner

State of New Hampshire
Department of Business and Economic Affairs

FISCAL SITUATION

**State Trade and Export Program Grant
03-22-22-220510-2092**

Total Grant Award	\$241,233.00
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NOTICE OF AWARD

U.S. Small Business Administration

1. AUTHORIZATION (Legislation/Regulation) Trade Facilitation and Trade Enforcement Act (HR 644)	2. Grant/Cooperative Agreement No. SBAHQ19IT0038/0001
3. RECIPIENT: (Name, Organizational Unit, Address) Business And Economic Affairs, New Hampshire Attn: MARTHA KEENE 172 PEMBROKE ROAD P.O. BOX 1856 CONCORD NH 033021856	4. PROJECT PERIOD (Mo./Day/Yr.) From 09/30/2019 Through 09/29/2021
8. TITLE OF PROJECT/PROGRAM (limit to 53 spaces) STEP	6. BUDGET PERIOD (Mo./Day/Yr.) From 09/30/2019 Through 09/29/2021
10. DIRECTOR OF PROJECT (Program or Center Director, Coordinator or Principal Investigator) NAME Adams Rachel Last First Initial ADDRESS: 1 Eagle Square, Suite 100 Concord, NH 03301-4903	6. FEDERAL CATALOG NO. 59.061
11. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project)	7. ADMINISTRATIVE CODES 9506001EZ0037
12. Approved Budget (Excludes SBA Direct Assistance) <input type="checkbox"/> SBA Funds Only <input checked="" type="checkbox"/> Total project costs including all other financial participation.	9. AWARD AMOUNT Amount of SBA Financial Assistance \$241,233.00

BUDGET YEAR	TOTAL DIRECT COST	BUDGET YEAR	TOTAL DIRECT COST
a.	\$0.00	b.	\$0.00

13. Remarks (Other Terms & Conditions Attached) Yes No

	Federal Share	Non-Federal Share
a. Personal Service	0.00	26,282.78
b. Fringe Benefits	0.00	11,818.24
c. Consultants	0.00	0.00
d. Travel	0.00	0.00
e. Equipment	0.00	0.00
f. Supplies	0.00	0.00
g. Contractual	217,109.70	0.00
h. Other	0.00	42,330.00
i. TOTAL DIRECT COSTS	\$217,109.70	\$80,411.00
j. Indirect cost	24,123.30	0.00
(Rate): 0 % of S & W/TADC		
k. OTHER APPL COSTS	0.00	0.00
l. TOTAL APPROVED BUDGET	\$241,233.00	\$80,411.00

14. THIS AWARD IS SUBJECT TO THE FOLLOWING COST PRINCIPLES AND OMB UNIFORM ADMINISTRATIVE REQUIREMENTS:

2 CFR Part 220 - Cost Principles for Educational Institutions

2 CFR Part 225 - Cost Principles for State and Local Governments

2 CFR Part 230 - Cost Principles for Non-Profit Organizations

FAR Subpart 31.2 - Principles for Determining Cost Applicable to Awards with For-Profit Organizations

13 C.F.R. Part 143 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

2 CFR Part 215 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations.

OMB Circular - A-133 - Audits of States, Local Governments, and other Non-Profit Orgs.

15. THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE

16. CRS - EIN 02-600618	17. COUNTY NAME Merrimack	18. CONGRESSIONAL DISTRICT NO. 02
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19a. CITY CODE 14200	b. COUNTY CODE 013	c. STATE CODE 33	d. PROGRAM CODE 7009
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20a. BUDGET CODE 1919.890400DB.506001.2036	b. DOCUMENT NO. SBAHQ19IT0038	c. AMT. ACTION FIN. ASST. \$241,233.00	d. TYPE OF ORGANIZATION State Government
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21. AGENCY OFFICIAL (Signature, Name and Title) Teresa Clouser	22. DATE ISSUED (Mo./Day/Yr.) 10/31/2019
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23. RECIPIENT OFFICIAL (Signature, Name and Title)	24. DATE 11/19 (Mo./Day/Yr.)
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THIS AWARD IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING.

- A. The program legislation and / or regulation cited in block 1.
- B. This award notice including terms and conditions, if any, noted under block 13, Remarks.
- C. SBA Federal Assistance Regulations or Manual issuances in effect at the beginning date of the budget period.
- D. The applicable program announcement, if any.
- E. SBA Policy Guidelines in effect as of the beginning date of the budget period.
- F. SBA Administrative Regulations / Guidelines in effect as of the beginning date of the budget period.

In the event that there are any conflicting or otherwise inconsistent policies applicable to this award, the above order of precedence shall prevail. Acceptance of ALL terms and conditions is acknowledged by the Recipient's Signature in block 23.

U.S. Small Business Administration

NOTICE OF AWARD

ITEM NO. (A)	ITEM OR SERVICE (Include Specifications and Special Instructions) (B)	QUANTITY (C)	UNIT (D)	ESTIMATED COST	
				UNIT PRICE (E)	AMOUNT (F)
	<p>DUNS Number: 787504158</p> <p>All special terms and conditions have been satisfied.</p> <p>Payment:</p> <p style="padding-left: 40px;">Denver Acquisition Office for SBA</p> <p style="padding-left: 40px;">Denver Finance Center</p> <p style="padding-left: 40px;">721 19th Street</p> <p style="padding-left: 40px;">Suite 300</p> <p style="padding-left: 40px;">Denver CO 80202</p> <p>Period of Performance: 09/30/2019 to 09/29/2021</p>				

U.S. Small Business Administration

NOTICE OF AWARD

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				UNIT PRICE (E)	AMOUNT (F)

U.S. Small Business Administration

NOTICE OF AWARD

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				UNIT PRICE (E)	AMOUNT (F)



U.S. Small Business
Administration

**U.S. SMALL BUSINESS ADMINISTRATION
STATE TRADE EXPANSION PROGRAM**

**STATE OF NEW HAMPSHIRE
TECHNICAL PROPOSAL TEMPLATE
STATE TRADE EXPANSION PROGRAM**

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INTRODUCTION

In Year 8 of the State Trade Expansion Program (STEP), the New Hampshire Office of International Commerce (OIC) will continue its success by maintaining a focused approach of working with companies and manufacturers in various sectors by providing counseling; market intelligence; access to markets; sales mission, and trade show support and participation. By providing these opportunities, the grant will continue to afford the means and capital necessary for companies to grow in international markets, while promoting economic development and job creation, increasing our clients' technical know-how, access to marketing tools, and identifying the best trading partners in new or expanded markets. OIC anticipates engaging numerous companies in this program, specifically in export basics training; exhibition in a state pavilion at one aerospace and defense show; financial assistance awards, and services provided by the U.S. Commercial Service. The return on investment will yield significant results for New Hampshire exporters and will encourage them to better leverage all resources to achieve their goals. All activities will be conducted through existing partnerships between the OIC; Export Assistance

1. Program Management & Oversight—The Department of Business and Economic Affairs (BEA) manages several grants from many sources. The ability to track and verify expenses and to meet grant obligations is a deliverable and responsibility of all who manage similar projects within the agency. The STEP project director reports to the program manager of OIC and the director of the Division of Economic Development, who work with the agency's chief accountant and the business office administrator. There is an agency-wide emphasis on timely and complete reporting; approval and submittal of invoices; integration with the state payment structure and auditing functions overseen by the business office. For STEP year eight, the agency has improved expense reconciliation reports between the GSDEC and BEA's business office, based on recommendations presented by SBA financial reviewers.

The operating procedures are as follows:

- ESBC applications/requests reviewed by appropriate panels through website (nhexportassistance.com).
- Receipts, reimbursement requests, vendor payments (i.e. tradeshows, USCS, etc) reviewed and reconciled by NH STEP project director.
- Payment approvals issued by NH STEP project director; reviewed by OIC program manager; payment requests issued by OIC program manager to contracted GSDEC accountant.
- Payment confirmations sent to NH STEP project director and staff by GSDEC accountant.
- Monthly reconciliation statements shared with OIC and BEA business office of STEP bank account at GSDEC.
- Payments to GSDEC in accordance to its contract are made with approval by NH STEP project director, OIC program manager and business administrator/chief accountant of BEA business office.
- Daily management of STEP is controlled by OIC, and payment requests are only made by GSDEC accountant following permission granted by OIC.
- OIC requires GSDEC to carry liability insurance.

2. Key Personnel - OIC is experienced in domestic and international grant and client management. Its three team members present cases, arguments and project results to senior leadership in the public and private sectors, and possess the knowledge, skills and acumen to implement the STEP program effectively and efficiently. Collectively, the team has more than 10 years of federal grant implementation experience.

3. Exporting Experience - In the past year, OIC continued to see more first-time businesses exploring global markets, as well as increased sales for experienced exporters. With New Hampshire exports reaching \$5.2 billion in 2018, the growth is a testament to its work over the last seven years of STEP; many of the companies participating in STEP are reaching new markets and predict that trend to continue. Step funding awarded to OIC has generated the opportunities for companies to participate in their first international trade show; vet international distribution partners, or closing sales in new markets.

CRITERIA#2 - PROJECT DESIGN: PERFORMANCE MEASURES, OUTCOMES & COLLABORATION TO DIRECTLY BENEFIT ESBCS

Part-I – Performance Measures & Outcomes New Hampshire’s STEP program builds on the success and experience gained over the past seven years, providing OIC with flexibility to customize strategies for qualified businesses. Select programs range from direct assistance in purchasing customized market intelligence and research (i.e. Gold Key, Initial Market Checks, International Company Profiles and International Partner searches); trainings in export related topics; trade shows and direct support that complement plans to develop international business and market potential. These opportunities support business growth and offer a results-oriented use of STEP funds, with positive return on investment.

<i>MILESTONE GOAL DESCRIPTION</i>	<i>ACT TYPE (1-8)</i>	<i>ACTIVITY DESCRIPTION SUPPORTING MILESTONE GOAL</i>	<i># NTE FIRMS</i>	<i>NTE EXPORT SALES</i>	<i># ME FIRMS</i>	<i>ME EXPORT SALES</i>	<i>FEDERAL AWARD EXPENSE</i>	<i>FED AWARD ROI</i>
Goal 1: Support 27 ESBCS through financial assistance awards to participate in export promotion activities	9	FAA will support 9 NTEs and 18 MEs in trade promotion activities such as foreign market sales trips, trade missions, trade show participation marketing material development, etc	9	\$150,000	18	\$2,500,000	\$145,733.00 (includes GSDEC admin fee)	4.76

processes and best practices for the matching financial assistance program by moving much of this program to a web-based format for easier client access and delivery of on-time reports, receipts and success stories. See www.nhexportassistance.com.

Activity 2: Export Expansion Fund- Rapid Response via U.S. Commercial Service

Encouraging companies to incorporate exporting in their business plan requires considerable effort to assess their capacity to meet its demands, best determined by market research available to employees and decision makers. Over the course of the STEP grant, OIC, U.S. Commercial Service and GSDEC used the funds to provide cost coverage to the U.S. Commercial Service products, to assist businesses in accessing market intelligence, with little risk. Since it became an eligible STEP expense, more than 80 businesses have accessed custom research to more than 25 markets, some of which may have been out of reach because of time and money. The \$7,000 is available to at least 10 qualified New Hampshire businesses (\$1,000 maximum per ESBCs) in manufacturing and the services sector. If some ESBCs do not use the maximum funds available to them, additional companies will have access to those unused funds.

Activity 3: Participation at ILA Berlin (2020)- To continue building New Hampshire's brand as a hub of innovation and efficiency in aerospace and defense technologies, OIC identified Germany's ILA Berlin as a prime venue to showcase companies specializing in land and air-land defense and security. In 2018, it featured more than 1,000 exhibitors representing 41 countries. As of March 2019, through the state's STEP efforts in supporting aerospace and defense, New Hampshire's top exported commodity is aircraft and spacecraft parts, and is the leading commodity sold to Germany and France. As experience has illustrated, a state-branded pavilion provides high-level support and credibility to participating businesses they would not have on their own.

key partner USEAC-NH, will support seasoned exporters in high growth sectors with the state's participation in specific trade shows, financial assistance awards and customized USCS services.

Increasing ESBC sales: Through the joint counseling that often takes place in New Hampshire's export eco-system and a "no wrong door" approach, OIC and its partners leverage each other as resources to help get a STEP client ready for international business and the relationship continues to develop as the company expands in new markets.

CRITERIA#3 - FINANCIAL ASSISTANCE PLAN

Applicant Process	Following each individual counseling session, recommendations are put forward to the ESBC regarding best activity(ies) under NH's program that can be utilized. Applicants are directed to partner (GSDEC) website to complete applications for specific STEP activities
Criteria and Selection Process	Criteria focuses on company readiness (dependent on NTE or ME status), meets SBA size requirements and company standing (i.e debarment, etc), ensures compliance with Buy American and Hire American laws, as well as how achievable ESBC's request for support/plan is in terms of company objective and ROI.
Organization and Title of Selection Panel or Committee Members	Financial Assistance Awards review panel: Gabriele Zeira, vice chairman GSDEC; Taylor Little, international trade specialist, NH Export Assistance Center; Tina Kasim, program manager, OIC Export Expansion Fund-rapid Response via US Commercial Service: Justin Osowski, director, NH Export Assistance Center; Tina Kasim, program manager, OIC, Leanne Spees board member GSDEC ILA Berlin (2020) review panel: Justin Osowski, director, NH Export Assistance Center; Tina Kasim, program manager, OIC Export Boot camp training review panel: Rachel Adams, project director, OIC; Tina Kasim, program manager, OIC
Maximum Dollar Amt. of Financial Assistance	Up to \$9,000 per instance – as part of graduating ESBCs from STEP funding making way for new STEP clients. OIC typically allows access to financial assistance awards twice (up to \$4,000 each - applicants don't usually use full amount), and access to US Commercial Service product costs once (up to \$1,000)
Percent % of Export Activity Costs and Percent % covered by both NTE and ME ESBCs	Financial assistance awards: 50% export activity cost covered by STEP; 50% export activity cost covered by ESBCs Export Expansion Fund-rapid Response via US Commercial Service: full cost covered by STEP; if service costs are over \$1,000, client covers remaining costs. ILA Berlin 2020: Depending on final funding amount by SBA, a participation fee of up to \$4,500 could be charged to NTE/ME to cover any shortfall in proposed budget in this application; remainder by STEP Export Boot camp Training: 100% activity cost covered by STEP
Maximum # of Financial Assistance Awards	Maximum number of matching financial assistance awards per company: 2
Method of Financial Assistance Payments	Matching financial assistance awards: Reimbursements are issued (checks) via the contracted GSDEC following OIC review of ESBC receipts and reconciliation. Payments only issued upon request by OIC. US Commercial Service: Participation agreements generated by USCS sent to OIC- GSDEC Accountant for payment. Tradeshow participation fees and vendor payments: ESBCs invoiced and payment collected by contracted GSDEC in coordination with OIC. Vendor payments only issued upon request by OIC.
Internal Controls	Several steps are taken to monitor and ensure that there is proper use and expenditure of funds: <ul style="list-style-type: none"> • ESBC applications/requests reviewed by appropriate panels. • Receipts and reports reviewed/approved by OIC STEP director and program manager; reconciled by OIC and contracted GSDEC accountant. • Payment approvals and requests issued by OIC program manager to contracted GSDEC accountant • Payment confirmations sent to OIC project director by GSDEC accountant.