

**Big Sky EDA/EDC
Executive Committee Agenda
Jan. 6, 2021
7:30 A.M. to 9:15 A.M.
Zoom Meeting Only Access/Participation
(link provided in meeting notice)**

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members EDC –Steve Loveless, Ann Kosempa, Mac Fogelsong, Kim Jakub, Mike Seppala
EDA –Paul Neutgens, Ken Lutton, Judi Powers, Dana Pulis, Riley Bennett

7:30 A.M.— Call to Order – Paul Neutgens, EDA Chair

Agenda Changes for Today's Meeting

Public Comments/Board Member and Staff Announcements

AGENDA

- I. Approval of EDA/EDC Exec. Comm. Minutes**
- December 2, 2020 Ex. Committee Meetings (Attachment A) (Action)
 - December 16, 2020 Special Meeting
- II. Approval of EDA/EDC Financials – Shanna**
- November 2020 EDA and EDC Financials (Attachment B) (Action)
- III. Executive Director's Report- Steve (Executive Directors' Report provided at Board Mtg.)**
- Follow-Up: Downtown Redevelopment (Action)
 - \$9,000 for Downtown Improvements (Info)
 - Update: Chain Link Project Site Selection (Info)
 - 2021 Priorities/Board Planning Schedule (Info)
- IV. Program Directors' Updates**
- A. BSED's Covid-19 Response Update
 - Stabilization Loan/EDA RLF Grant Program Update—Brandon (Info)
 - Economic Response/Recovery Update---Thom/Steve/Melanie (Info)
 - B. Operations--Becky
 - Committees for 2021—Austin (Attachment C) (Info)
 - Conflict of Interest Policy Review--Becky (Handout) (Info)
 - Big Sky to Sky Point Project Update—Becky (Info)
 - D. Recruitment/Business Outreach/ ED Policy Update—Allison (Info)
 - Update: Legislative Priorities—Austin (Info)
 - E. SBDC 2021 Contract Renewal—Kevin/Lorene (Attachment D) (Action)
- V. Executive Session (as needed)**

Public Comment

Adjourn

Next Executive Committee Meeting – February 3, 2021 (7:30 A.M. to 9:15 A.M.) Big Sky Economic Development Board of Directors will make reasonable accommodations for known disabilities that may interfere with an individual's ability to participate. Persons requiring such accommodations should make their requests to Big Sky Economic Development as soon as possible before the meeting day. Please call Big Sky Economic Development at 256-6871.



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT A

Big Sky EDA/EDC Joint Executive Committee Meeting Minutes
December 2nd, 2020 – 7:30 A.M. to 9:15 A.M.
Zoom Teleconference Call

BIG SKY ED Mission Statement: - Focused on sustaining and growing our region's vibrant economy and outstanding quality of life, **Big Sky Economic Development** provides leadership and resources for business creation, expansion, retention, new business recruitment and community development.

Committee Members Present: **EDA** – Robin Rude, Ken Lutton, Judi Powers, Paul Neutgens, Greg McDonald
 EDC – Ann Kosempa, Steve Loveless, Mike Nelson, Mike Seppala

Committee Members Absent: **EDA** – None
 EDC – Mac Fogelsong

Staff and Others Present: Steve Arveschoug, Becky Rogers, Lorene Hintz, Melanie Schwarz, Austin Trunkle, Shanna Zier, Brandon Berger, Dianne Lehm, Thom MacLean, Allison Corbyn, Jo Ann Jones, Patrick Klugman, Deanna Langman

Call to Order:
Robin Rude, EDA Chair, called the meeting to order at 7:30 A.M.

Agenda Changes for Today's Meeting:
Allison's report will be moved up the agenda and will follow the financials report from Shanna.

Public Comment/Introductions
None

Agenda:
Approval of the November 4th, 2020 EDA/EDC Executive Committee Minutes

Motion: Mike Seppala to approve, the November Executive Committee Minutes, as presented to the Executive Committee.
Second: Ann Kosempa
Discussion: None
Motion: Carried

Approval of October EDA/EDC Financials – Shanna

Shanna started with the EDA balance sheet and explained that the bulk of the fluctuation is due to the repayment of the DBP line of credit. Receivables are coming in consistently from the SBDC, VBOC, and PTAC programs which is helping with cash-flow. Accrued expenses will continue to decrease as Space2Place projects are funded. Deferred revenues include the Beartooth RC&D grant and monies from the Bozeman area to support the PTAC.

Revenues reflect the Beartooth RC&D grant as well as tax protests. Professional fees remain well below budget but that will change as we receive invoices for the work on the Montana National Bank building.

On the EDC, current assets increased largely due to the State Coronavirus Relief Grant we received. Member Investor invoices have gone out and are beginning to be returned for FY 21. Accrued expenses are largely attributed to legal fees for the 504 Loan Program.

On the statement of operations, 504 servicing revenue is a bit above budget and origination fees are bit below. Shanna also added an additional account to track Coulson Park contributions. Through October, event and

professional fees remain largely in line with budget. The EDC has recognized revenues a bit above projections which is due to the Coronavirus relief grant and MI revenues.

Motion: Mike Seppala to approve and forward to the Board, the October 2020 EDA/EDC Financials, as presented to the Executive Committee.

Second: Ann Kosempa

Discussion: None

Motion: Carried

Recruitment Projects Update – Allison

Allison updated on business outreach efforts and mentioned that we are putting those interactions in our tracking software. Allison is hopeful to increase our outreach efforts over the next couple of months as the new outreach team continues to grow in their roles.

Allison talked about some recruitment leads and contacts she has had in the past few months. There is an exciting project moving forward in the medical corridor who is looking to pick a location in Billings within the next month. Allison is also working with a manufacturing company out of Missoula that is looking to expand in our market. Finally, Allison is talking with a company out of San Diego that has interest in expanding into Montana.

Allison finished by updating on the status of the broadband effort we are undertaking in partnership with MEDA. Broadband is an acute need in both urban and rural markets. There should be some draft legislation in the works as we continue toward the legislative session in January. Steve Loveless noted that there would likely be support from hospital systems for more robust broadband service. Ken asked if potential leads ask about broadband service. Allison said that they often ask if there is fiber to the site. The call center who recently located here had to add additional fiber capacity to meet their needs. Austin, Allison, and Steve went on to explain what the session may look like and what factors will influence its course.

Allison went on to explain what kind of needs the recruitment leads will have as they look to locate in our area and most of those revolve around infrastructure. Steve mentioned that we will need to leverage available resources to help fill those gaps and that includes consideration of our Opportunity Fund dollars.

Executive Director's Report – Steve

Steve sent the Committee our Strategic Priorities summary to stimulate some thinking about what the Committee may want to ask Steve. Mike Nelson asked Steve how his year has been and what priority remains dear to him. Steve spoke about the how we can support our community through the pandemic. Steve says the team is doing everything they can to influence leadership in both Helena and DC. Recovery and support of our business community will remain an acute need for the foreseeable future.

Mike Seppala asked about the morale of the team in the midst of the pandemic and how our work has been affected. Steve believes that program execution has remained on point and some programs are doing more work with businesses than ever before. Steve thinks the organization has been caring and accommodating to the staff. Becky went on to say she's been impressed with how the staff has adjusted to the pandemic but that there have certainly been highs and lows.

Steve asked the Committee to consider our meeting structures and communications. Mike Seppala noted that he thinks communication has been strong and understands when information might come after the packets have been sent out.

Steve talked about public safety and asked the Committee what they think our role would be in that effort. Ken thought our support of the last public safety mill levy was appropriate. Steve sent a letter of support for the levy

and we also allowed for Councilman Brown speak in support of the effort as well. Steve Loveless asked if BSED can remain a stimulator of that conversation across the community. Steve A thinks it would be fruitful to have the Chief of Police and Sherriff explain the reality of public safety to keep our information up to date. Robin also mentioned that folks outside the city limits benefit from the levy without having to pay in for that benefit.

Additionally, Steve wanted the Board to reflect on some of the work we have done in the past to encourage recruitment with the resources we have. Steve wants the Committee to think with that same mindset for a couple of projects in the works. Steve said it may be time for us to act more aggressively in that respect.

Steve closed by referring to the line of credit that was repaid with interest by the Downtown Billings Partnership. Steve would like to consider the idea of reinvesting the interest proceeds in downtown projects such as the refurbishment of SkyPoint. Mike, Greg, Judi and Paul were supportive of the idea. So too were Robin and Ken but they asked if there is a more pressing project that may need our support. Steve said he will spend more time with Katy to discuss what the possibilities are.

Program Directors/Leaders' Updates - BSED's IRT COVID-19 Response Update

Stabilization Loan Program/EDA RLF Grant Update – Brandon

Brandon spoke about the remaining balance in the Stabilization Loan Fund and what the need will be for those dollars. A lot of that will depend upon what comes down from the federal level.

With respect to the RLF Grant, Brandon noted that the team is optimistic about the response to our grant application and is hopeful the grant can be awarded at the \$2 million dollar level with a 10% match on our end.

Economic Response and Recovery Plan Next Steps – Thom/Steve

Since the last Board Meeting, we had our healthcare appreciation day and distributed \$87,034 worth of gift cards to our healthcare workers. Thom noted that there is a community update session coming up on the 10th that will include a panel of healthcare workers and next steps from healthcare leaders, including John Felton. An introduction letter was sent to Governor-Elect Gianforte by Steve on behalf of the recovery team. Gianforte has put together Coronavirus taskforce that includes Steve Wahrlich and Dr. Heidi Duncan from Billings. Both of those individuals have been invited to take part in recovery team meetings. Steve L and Judi commended the team's work on that effort.

Nominating Committee EDA Board Appointment Update – Becky

Becky began with a Nominating Committee recommendation for the officers for 2021. Since Robin is terming out and will not be able to serve as Past Chair on the EDA, we are adding two members at large, Riley Bennett and Dana Pulis. On the EDC, Kim Jakub will serve as member at large. The Officers are as follows:

EDA: Paul Neutgens (Chair), Ken Lutton (Vice Chair), Judi Powers (Secretary/Treasurer), Dana Pulis (Member at Large), and Riley Bennett (Member at Large)

EDC: Steve Loveless (Chair), Ann Kosempa (Vice Chair), Mac Fogelsong (Secretary/Treasurer), Mike Seppala (Immediate Past Chair), Kim Jakub (Member at Large)

Motion: Steve Loveless to approve and forward to the Board, 2021 Officer Recommendations, as presented to the Executive Committee.

Second: Greg McDonald

Discussion: None

Motion: Carried

Operations: Big Sky to Sky Point Project – Becky

Next, Becky presented a contract from Wishneff and Associates. WA is a brokering service that helps sell the historic tax credits from projects like ours. Becky asked that whoever invests is based out of Montana. Becky said WA has worked on similar projects like our building renovation in the state of Montana. Another attractive component of their proposal is a “success-based” fee. We will not have to pay for their services should we not be successful in receiving historic tax credits. With respect to new markets tax credits, WA has recommended we look into those but again, we would not be liable to pay for that services should we chose not to pursue them. Steve A is a bit hesitant to pursue that avenue as it is complex and time consuming.

Becky closed by talking about some invitations we’ve sent to Member Investors about the opportunity to become investors in those Historic Tax Credits. Becky noted this came at the recommendation of Randy Hafer.

Motion: Ken Lutton to approve and forward to the Board, the execution of the contract engaging Wishneff and Associates, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: None

Motion: Carried

Becky’s last update was related to the status of the project. There are three meetings next week to confirm the budgets for construction. Cushing Terrell is helping us to expedite our timeline as we look to put construction out to bid in February.

Big Sky Finance Staffing Update – Brandon

Brandon gave an update on the status of filling the Loan Officer position. There have been a few applications rolling in and Brandon and Becky will begin conducting interviews this week. Should the initial candidates look like a good fit, Brandon would like to have that position filled by January.

SSBCI Loan Recommendation – Brandon

Brandon presented a request to use our SSBCI dollars to help a borrower refinance his outstanding loans. We will partner with First Security Bank of Missoula and share a first lien position. Brandon mentioned that this is how we have used the SSBCI dollars in the past. Brandon noted that this original request was an SBA 504 project. It was initially approved by our Board and SBA but upon SBA’s second review, it was declined. The company provides lights, soil and other materials to medical marijuana firms and the proceeds from those sales disqualify them from the 504 program. Brandon took this back to his loan committee and they recommended approval based on this new structure. Ann asked that should this be approved, will our standing with the SBA be affected. Brandon does not think this will affect our standing. Steve went on to say that Shanna had spoken to our auditors to see if we will remain in good standing with all of our federal partners. Steve thinks we have done our homework on this recommendation. Steve Loveless would like us to be careful to not set a precedent we will be held to in the future surrounding this sector. Steve A does think that there is a difference between financing a company who provides equipment versus growing and selling marijuana products. Steve went on to explain that Mike Seppala mentioned having a degree of separation from marijuana producers makes financing a bit easier.

Motion: Ken Lutton to approve and forward to the Board, the SSBCI Loan Recommendation, as presented to the Executive Committee.

Second: Paul Neutgens

Discussion: Mike Nelson and Steve Loveless vote against the motion

Abstentions: Mike Seppala

Motion: Carried

Big Sky Trust Fund Grant Applications – Lorene

Lorene presented a job creation grant application for The Burger Dive located in downtown Billings. Through the pandemic, they have changed their business model and hours of operation to remain profitable. They are now looking to expand their operation by moving to a location on Minnesota Avenue. This move will expand their capacity by 2.5 times. They expect to create 10 jobs via this expansion.

Motion: Ann Kosempa to approve and forward to the Board, The Burger Dive's BSTF Grant Application, as presented to the Executive Committee.

Second: Mike Nelson

Discussion: None

Motion: Carried

Planning Grant

Genityte Incorporated, located in Billings, MT, is requesting approval from the Big Sky Economic Development (BSEDA) Corporation Board of Directors to apply for a Big Sky Trust Fund Planning Grant. Dr. Julie Reil is the founder and director of Shiloh Medical Clinic, and Genityte Incorporated. Dr. Reil is a University of Washington trained MD with 20 plus years of experience in Family Medicine, Obstetrics, and Laser Medicine. She is also an internationally recognized physician and women's health advocate.

The planning grant will pay for an external and independent feasibility study focusing on the implementation and validation of Patient Reported Outcomes (PROs) of Stress Urinary Incontinence (SUI) in women. Urinary incontinence impacts millions of women all over the world. In the United States alone, the age-standardized prevalence of urinary incontinence among women is 51.1%. The total budget for the study is approximately \$27,000.

Ann, Steve L, and Ken went on to discuss how this applies to business expansion and how it relates to insurance and Medicaid.

Motion: Ken Lutton to approve and forward to the Board, Genityte Inc.'s BSTF Planning Grant Application, as presented to the Executive Committee.

Second: Ann Kosempa

Discussion: None

Motion: Carried

Legislative Update - Austin

Austin lead by mentioning the meetings Steve and Austin have held with area legislators to get their sense of how the session will go and where we can align our priorities with the local delegation. Austin also updated the Committee about broadband expansion efforts across the state as well as the potential for creating venture capital investment tax credits at the state level. Each of those two items remain a strong priority moving into January. Austin also noted that the legislative session rules will be proposed next week. The rules proposed during this committee meeting will be considered on December 16th.

Executive Session: None

Public Comment:

The Committee thanked Robin for all of her work this year with the Board. Ann asked a couple more questions regarding the idea of putting money towards a downtown project.

Paul asked about the proposed southern passenger rail service concept. Dianne and her team have kept good tabs on the project and are monitoring the information coming in. We will also pay mind to how our County Commissioners feel about the issue as well.

Adjourn:

Robin adjourned the meeting at 9:33am

Next Meeting – January 6th, 2020

Business Recruitment Downtown Project – Allison/Steve

Allison began by sharing a PowerPoint about a project we've called Chainlink. This project is still confidential and Steve and Allison are under a non-disclosure agreement. This company maintains two successful locations and has a proven business model. A feasibility study was also completed to demonstrate that our area can support this project. Their company also has strong, private financial backing. Allison shared the bios for the management team they have been working with and the caliber of each of these individuals.

This project is healthcare related and would create 100 jobs. The building would be roughly 150,000sq/ft., breaking ground in spring of 2021, and becoming occupied by late 2022.

Allison noted that it is critical to locate this project downtown. The team is working on land assemblage as parking space remains a challenge. Allison then shared images of the parcels that have been identified as site locations. To acquire these parcels, BSED would need to commit \$2 million from the Opportunity Fund.

The Committee continued with questions about the project and how quickly work will continue once land assemblage has been completed.

Motion: Mike Nelson to approve committing \$2 million from the Opportunity Fund to this project, as presented to the Executive Committee.

Second: Judi Powers

Discussion: Discussion continued about the risk associated with this level of commitment.

Motion: Carried

Executive Session: None

Public Comment:

None

Adjourn:

Robin adjourned the meeting at 10:46am

Next Meeting – January 6th, 2020



BIG SKY
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ATTACHMENT B

Big Sky Economic Development Authority
Financial Report for the Executive Committee and Board of Directors
December 29, 2020

Included with this report is balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDA as of November 30, 2020. Also included is the statement of revenue and expenses through five months of FY21 as compared to budget.

Balance Sheet

Current assets increased slightly to about \$5,287,000 at the end of November from \$5,148,000 in October. The fluctuation in current assets is attributed to a combination of the increase in Yellowstone County Funds from the collection of November property taxes and reclassification of \$400,000 in Opportunity Fund CDs between current and noncurrent. The CDs opened with the repayment of the DBA loan are for a 12-month term and for a 24-month term. Based on the maturity of these CDs, the CDs were reclassified from Opportunity Fund CDs (current) to Opportunity Fund CDs (noncurrent) in November. Accounts receivable increased slightly from \$141,000 to \$144,000. The receivable consists of PTAC (\$73,000), U.S. EDA (\$30,000), VBOC (\$21,000), and SBDC (\$20,000).

Due To/Due From EDC totaled approximately \$42,000 at the end of November and consists of the November amount due from EDC. The tax levy receivable decreased to \$577,000 from \$1,239,000 with the collection of 2020 property taxes in November. Protested tax receivable increased from \$21,000 to \$35,000. An allowance totaling approximately \$35,000, or 100% of protested tax levy receivable is reflected to allow for potentially uncollectible protested tax levy. Total fixed assets totaled \$1,574,000 at the end of November.

Accounts payable increased slightly from \$47,000 at October 2020 to approximately \$63,000. The majority of the increase is attributed to the November invoices for PTAC subrecipients. Accrued expenses total approximately \$92,000 and consist largely of salary/benefits accruals (\$69,000) and Space2Place Grant accruals (\$13,000). Deferred revenue totals \$63,000 and consists of \$50,000 conditional grant award amount from Beartooth RC&D and \$13,000 from MSU/City of Bozeman for PTAC support.

Statement of Revenue and Expenses

Revenue is about \$371,000 over budget through the first five months of the fiscal year. There are a few factors attributing to this variance in revenue. Mill Levy Revenue increased to \$1,241,000 with the recognition of the 2020 property tax receivable. This revenue is about \$21,000 over budget. As a reminder, when we budgeted for FY21, we took a conservative approach and budgeted for 3% in property tax protest. In addition, based on revenue recognition guidance, \$150,000 of the \$200,000 from the Beartooth RC&D CARES Act Grant was recognized immediately. The remaining \$50,000 will be recognized at the end of the next year following all conditions being satisfied (this amount is in deferred revenue).

Department of Defense (PTAC) and VBOC revenue remains under budget due to actual expenses. EPA-Brownfields is about \$48,000 below budget due to timing of when revenue/expenses are budgeted for the fiscal year. SBA/MT Dept of Commerce revenue (SBDC) is about \$19,000 below budget as we have decided not to fill the SBDC COVID-19 position. With this change in hiring plans, we have received approval for reimbursement for our SBDC Business Advisor salary, benefits, and rent through December. This will add about \$28,000 in revenue for FY21.

Most expenses remain under budget through November. Salary/wage expense totaled \$633,000 through November. This amount is about \$65,000 under budget due to vacancy savings. Dues and Subscriptions are under budget based on the timing of the budgeted Chmura expense (\$18,000) for the JobsEQ subscription. Professional fees increased to \$118,000 with the payment of the first invoice from Cushing Terrell. However, professional fees remain under budget based on timing of budgeted expenses for architectural fees and Brownfields fees. We recognized approximately \$14,000 in property tax protests in November. This amount is below the FY21 budget of \$37,350. Travel/training expenses remain under budget and totaled approximately \$9,000 through November.

Through five months of FY21 Big Sky EDA recognized revenue in excess of expense totaling about \$915,000, which was approximately \$371,000 more than the budgeted amount. When excluding the non-operating income/expenses (contribution revenue, in-kind revenue, interest income, and depreciation expense), Big Sky EDA recognized revenue in excess of expense of about \$895,000, which is about \$418,000 more than budgeted.

Big Sky EDA
Comparative Balance Sheet
As of November 30, 2020 and 2019

| | 11/30/2020 | 11/30/2019 | +/- | 6/30/2020 | +/- |
|--|------------------|------------------|--------------------|------------------|-----------------|
| Assets | | | | | |
| First Interstate Bank | \$349,667 | \$102,878 | \$246,789 | \$164,986 | \$184,681 |
| FIB-Recovered Property Taxes | 148,202 | 3,202 | 145,000 | 148,202 | - |
| Opportunity Fund-FIB | 455,510 | 54,378 | 401,132 | 16,169 | 439,341 |
| Opportunity Fund-Stockman | 54,755 | 3,616 | 51,139 | 44,519 | 10,236 |
| Opportunity Fund-Opportunity Bank | 622,969 | 617,865 | 5,105 | 621,300 | 1,670 |
| Stockman GE Maintenance | 15,128 | 15,128 | - | 15,128 | - |
| Rocky Mountain Bank Money Market | 493,049 | - | 493,049 | 492,843 | 206 |
| Opportunity Fund - CDs (current) | 2,404,278 | 3,063 | 2,401,215 | 2,404,278 | - |
| Yellowstone County Funds | 742,984 | 609,076 | 133,908 | 535,969 | 207,015 |
| Total Current Assets | 5,286,542 | 1,409,205 | 3,877,337 | 4,443,392 | 843,149 |
| Other Assets | | | | | |
| Accounts Receivable | 143,707 | 295,788 | (152,081) | 680,373 | (536,665) |
| Grants Receivable | 150,000 | - | 150,000 | - | 150,000 |
| American Revenue Guarantee | 6,887 | 6,887 | - | 6,887 | - |
| Due To/Due From EDC | 42,161 | 41,141 | 1,020 | 57,548 | (15,387) |
| Tax Levy Receivable | 576,905 | 579,435 | (2,531) | 26,597 | 550,308 |
| Tax Levy Receivable - Protested | 35,382 | 24,433 | 10,949 | 21,479 | 13,902 |
| Allowance for Doubtful Accounts | (35,382) | (24,433) | (10,949) | (21,479) | (13,902) |
| Prepaid Expenses | 15,779 | 11,284 | 4,495 | 18,556 | (2,778) |
| Deposit | 1,390 | - | 1,390 | 1,390 | - |
| Undeposited Funds | - | - | - | - | - |
| Interest Receivable | - | 2,421 | (2,421) | 8,509 | (8,509) |
| Miscellaneous Receivable | - | - | - | - | - |
| Total Other Assets | 936,829 | 936,956 | (127) | 799,860 | 136,969 |
| Non-Current Assets | | | | | |
| Opportunity Fund - CDs (non-current) | 1,651,137 | 4,592,880 | (2,941,743) | 1,250,358 | 400,779 |
| Loans Receivable | - | 400,000 | (400,000) | 400,000 | (400,000) |
| TEDD Receivable | 23,875 | 44,325 | (20,450) | 34,100 | (10,225) |
| Cabela's Conduit | 9,649 | 4,983 | 4,666 | 9,649 | 0 |
| Deferred Outflow of Resources | 146,350 | 247,689 | (101,340) | 147,067 | (717) |
| Total Non-Current Assets | 1,831,011 | 5,289,877 | (3,458,867) | 1,841,173 | (10,163) |
| Fixed Assets | | | | | |
| Bank Building - Land | 272,000 | - | - | 272,000 | - |
| Bank Building - Building | 1,328,000 | - | - | 1,328,000 | - |
| Accumulated Depreciation | (25,538) | - | - | (11,350) | - |
| Total Fixed Assets | 1,574,462 | - | - | 1,588,650 | - |
| Total Assets | 9,628,843 | 7,636,038 | 1,992,805 | 8,673,075 | 955,768 |
| Liabilities & Equity | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 63,016 | 114,874 | (51,858) | 51,901 | 11,115 |
| Accrued Expenses | 91,607 | 87,894 | 3,713 | 109,334 | (17,727) |
| Deferred Revenue | 63,333 | - | 14,000 | 1,598 | - |
| Payroll Liabilities | (768) | 858 | (1,626) | 355 | (1,123) |
| Compensated Absences | 157,326 | 147,540 | 9,787 | 170,250 | (12,923) |
| Total Current Liabilities | 374,515 | 351,166 | 23,349 | 333,438 | 41,077 |
| Long Term Liabilities | | | | | |
| Deferred inflow or Resources | 68,045 | 13,741 | 54,304 | 68,045 | - |
| Pension Liability | 825,316 | 884,804 | (59,488) | 825,316 | - |
| Total Long Term Liabilities | 893,361 | 898,545 | (5,184) | 893,361 | - |
| Current Year Excess of Expenses over Revenue | 915,408 | 613,176 | 302,231 | 1,673,125 | (757,717) |
| Balance at Beginning of Year | 7,445,559 | 5,773,151 | 1,672,408 | 5,773,151 | 1,672,408 |
| Net Assets | 8,360,967 | 6,386,327 | 1,974,639 | 7,446,276 | 914,691 |
| Total Liabilities & Equity | 9,628,843 | 7,636,038 | 1,992,805 | 8,673,075 | 955,768 |

Big Sky EDA
Statements of Operations
For the Periods Ending November 30, 2020

| | Month | | | YTD | | | Fiscal Year |
|---|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Budget |
| Operating Revenue | | | | | | | |
| County Taxes (Mill Levy Revenue) | \$4,824 | \$0 | \$4,824 | \$1,241,210 | \$1,220,100 | \$21,110 | \$1,220,100 |
| Entitlement | - | - | - | 59,832 | 58,750 | 1,082 | \$235,000 |
| Health Insurance Mill Levy | 7,950 | 9,922 | (1,972) | 41,340 | 47,785 | (6,445) | 117,236 |
| Recovery of Protested Taxes | - | - | - | 1 | - | 1 | - |
| Department of Defense | 35,752 | 45,868 | (10,116) | 202,920 | 229,342 | (26,422) | 550,421 |
| EDC Reimbursement | 41,623 | 48,251 | (6,628) | 233,544 | 241,255 | (7,711) | 579,012 |
| EPA-Brownfields | - | 10,833 | (10,833) | 8,446 | 56,667 | (48,220) | 132,500 |
| SBA/MT Dept of Commerce | 19,932 | 21,779 | (1,848) | 89,354 | 108,828 | (19,474) | 261,282 |
| SBDC Program Income | - | - | - | - | - | - | - |
| VBOC | 20,795 | 23,938 | (3,143) | 109,720 | 125,841 | (16,121) | 300,000 |
| Rents/Leases | 3,824 | - | 3,824 | 5,736 | 1,912 | 3,824 | - |
| Grant Administration | - | 292 | (292) | 2,000 | 1,458 | 542 | 3,500 |
| Beartooth RC&D CARES Act | - | - | - | 150,000 | - | 150,000 | - |
| Other Intergovernmental Revenue | 1,667 | - | - | 8,265 | - | 8,265 | - |
| Miscellaneous Revenue | - | - | - | 5,000 | - | 5,000 | 3,862 |
| Total Revenue | 136,367 | 160,883 | (26,183) | 2,157,368 | 2,091,938 | 65,431 | 3,402,913 |
| Operating Expenses | | | | | | | |
| Salaries/Wages | 117,970 | 140,026 | (22,057) | 632,817 | 697,598 | (64,781) | 1,679,819 |
| Employer Contributions | 39,410 | 46,825 | (7,415) | 209,068 | 229,278 | (20,210) | 559,084 |
| BID Assessment | 1,890 | - | 1,890 | 1,890 | - | 1,890 | 559,084 |
| Contingency | - | 4,208 | (4,208) | - | 21,042 | (21,042) | 50,497 |
| Community Development Projects | - | 2,500 | (2,500) | 4,989 | 12,500 | (7,511) | 30,000 |
| Dues and Subscriptions | 1,231 | 19,562 | (18,332) | 30,053 | 47,829 | (17,777) | 64,643 |
| Event Expense | - | - | - | - | - | - | - |
| Insurance | 886 | 752 | 134 | 6,933 | 8,744 | (1,811) | 23,984 |
| Marketing - Departmental | 839 | 2,036 | (1,197) | 2,756 | 10,180 | (7,424) | 24,432 |
| Marketing - Organizational | 643 | 2,667 | (2,024) | 16,569 | 13,333 | 3,235 | 32,000 |
| Office Equipment | 160 | - | 160 | 555 | 4,500 | (3,945) | 6,500 |
| Office Expense | 524 | 1,597 | (1,073) | 6,590 | 10,985 | (4,395) | 23,289 |
| Professional Fees | 83,816 | 45,193 | 38,623 | 117,627 | 235,125 | (117,497) | 167,958 |
| Property Tax Protests | 13,903 | 37,350 | (23,447) | 13,903 | 37,350 | (23,447) | 37,350 |
| PTAC Satellite | 9,759 | 12,481 | (2,722) | 50,190 | 62,406 | (12,216) | 149,773 |
| PTAC Subcenter | 11,500 | 14,764 | (3,264) | 64,380 | 73,821 | (9,441) | 177,171 |
| Rent | 11,622 | 11,724 | (102) | 58,898 | 59,021 | (123) | 142,295 |
| Repairs | 426 | - | 426 | 426 | - | 426 | - |
| Sponsorships | - | - | - | - | - | - | 2,500 |
| Strategic Priorities | - | 1,250 | (1,250) | - | 6,250 | (6,250) | 15,000 |
| TEDD | - | - | - | 60 | 500 | (440) | 2,000 |
| Telecommunications | 4,484 | 5,161 | (678) | 23,543 | 25,806 | (2,262) | 61,933 |
| Travel/Training | 51 | 9,313 | (9,262) | 9,146 | 40,195 | (31,048) | 100,258 |
| Utilities | 1,619 | 2,000 | (381) | 5,852 | 10,000 | (4,148) | 24,000 |
| Miscellaneous | 314 | 1,622 | (1,308) | 6,227 | 8,140 | (1,913) | 23,200 |
| Total Operating Expenses | 301,046 | 361,032 | (59,986) | 1,262,471 | 1,614,602 | (352,131) | 3,956,770 |
| Net Operating Revenue | (164,679) | (200,148) | 33,803 | 894,897 | 477,336 | 417,561 | (553,857) |
| Non-Operating Income/Expense | | | | | | | |
| Interest Income | 449 | 1,687 | (1,238) | 5,212 | 8,436 | (3,224) | 20,247 |
| US EDA Reimbursement | 29,382 | 14,600 | 14,782 | 29,487 | 73,000 | (43,513) | 148,822 |
| Grant Revenue (GASB 68) | - | - | - | - | - | - | - |
| Architectural/Professional Fees | - | - | - | - | - | - | 302,492 |
| Pension Expense | - | - | - | - | - | - | - |
| Depreciation Expense | 2,838 | 2,838 | - | 14,188 | 14,188 | - | 34,051 |
| Total Non-operating Income/Expense | 26,994 | 13,450 | 13,544 | 20,511 | 67,248 | (46,738) | (167,474) |
| Net Revenue Over (Under) Expense | (137,685) | (186,699) | 47,347 | 915,408 | 544,584 | 370,824 | (721,331) |

Big Sky Economic Development Corporation
Financial Report for the Executive Committee and Board of Directors
December 29, 2020

Included with this report is the balance sheet reflecting the assets, liabilities, and net assets of Big Sky EDC as of November 30, 2020. Also included is the statement of revenue and expenses through five months of FY21 as compared to budget.

Balance Sheet

Current assets totaled approximately \$1,956,000 at the end of November, a slight decrease from \$1,998,000 at the end of October. This is attributed to operating expenses. Accounts receivable increased in November with invoicing related to the Healthcare Appreciation event. The receivable totals \$85,000 and consists of Healthcare Appreciation Sponsorships (\$25,000), Member Investor pledges for FY21 (\$38,500), Member Investor pledges for FY20 (\$19,000) and Business Healthcare Sponsorship receivable (\$2,500). The receivable balance has decreased to about \$54,000 in November.

The RLF portfolio totaled \$401,000, the SSBCI portfolio totaled \$639,000, and the Stabilization Loan portfolio totaled \$110,000 through the end of November. We received an additional stabilization loan payoff in November.

Accounts payable remained relatively consistent and totaled \$33,000 at the end of November. Accrued expenses decreased to \$0 from \$10,000 with the payment of accrued legal expenses associated with the 504 loan portfolio. Deferred 504 revenue remains consistent and totaled \$28,000. This deferred 504 revenue will be recognized as loans fund. We received \$100,000 in State of Montana Coronavirus Relief Funds in October. This revenue is being recognized as we incur expenses and will need to be expended by the end of December. The balance of this grant is in deferred revenue and totaled \$51,000 at the end of November. Due to/Due from EDA totaled approximately \$42,000 and represents the amount owed to EDA from EDC for November reimbursement.

Statement of Revenue and Expenses

The 504 loan servicing revenue totaled \$221,000 through November. This is approximately \$5,000 over budget. The 504 loan origination revenue totaled \$53,000 through November, which is approximately \$44,000 below budget. This variance is attributed to timing of budgeted revenue. Member investor revenue totaled approximately \$91,000. Member investor revenue increased \$86,000 with the quarterly invoicing that was completed in early October. We have received \$52,500 in payments for these invoices. Miscellaneous revenue totaled approximately \$13,000 through November and consists largely of \$10,500 in loan fees. I have added a new account to the Statement of Revenue and Expenses to better track the State of Montana Coronavirus Relief Funds. Through November, these funds total approximately \$68,000. I have also added revenue and expense accounts to track amounts associated with the Healthcare Appreciation event. Donations related to this event totaled \$34,000 in November. The restricted donations for the Coulson Park project are also being tracked in a separate Coulson Park revenue account in the non-operating income section of the statement. We received an additional \$7,500 donation in November, increasing the total to \$39,500.

Most expenses remain close to or below budget. Professional fees increased and totaled \$41,500 through November. This consists largely of \$12,500 in expenses for Anderson ZurMuehlen's

financial statement audit, \$10,000 in legal fees related to the 504 loan program, \$8,000 in recruitment professional fees, \$5,500 for the loan review, and \$2,000 in consulting fees. Sponsorship expense totaled \$8,500 and remains below budget through November. This is also attributed to timing of budgeted expenses. A separate account was added to track expenses related to the Healthcare Appreciation event. Through November, total expenses related to this totaled \$70,000. This unbudgeted event was funded by a combination of donations (Healthcare Appreciation Income) and funds from the Coronavirus Relief Funds.

Through five months of FY21 Big Sky EDC recognized revenue in excess of expenses totaling about \$79,000, which was approximately \$93,000 more than the budgeted amount. When excluding the non-operating income/expenses (Coulson Park donations), Big Sky EDC recognized revenue in excess of expenses of about \$40,000, which is \$53,000 more than budgeted. This is largely attributed to the State of Montana Coronavirus Relief Funds. In addition, member investment revenue is currently over budget based on the timing of the invoicing compared to budgeted revenue.

Big Sky EDC
Comparative Balance Sheet
As of November 30, 2020 and 2019

| | 11/30/2020 | 11/30/2019 | +/- | 6/30/2020 | +/- |
|--|------------------|------------------|------------------|------------------|-----------------|
| Assets | | | | | |
| First Interstate Bank | \$334,257 | \$168,167 | \$166,090 | \$245,165 | \$89,092 |
| FIB SSBCI Principal | 1,070,353 | 1,401,965 | (331,612) | 1,005,566 | 64,788 |
| FIB-Long Term Reserve | 250,000 | 250,000 | - | 250,000 | - |
| FIB-Opportunity Fund | 22,200 | 22,200 | - | 22,200 | - |
| FIB-RLF | 75,642 | 232,967 | (157,324) | 179,960 | (104,318) |
| FIB-OBSD Restricted | - | - | - | - | - |
| Accounts Receivable | 84,508 | 33,000 | 51,508 | 58,684 | 25,824 |
| Contributions Receivable | - | 44,500 | (44,500) | 2,500 | (2,500) |
| Miscellaneous Receivable | 150 | 148 | 2 | - | - |
| Prepaid Expenses | 7,438 | 2,500 | 4,938 | 8,276 | (838) |
| Undeposited Funds | - | - | - | - | - |
| Stabilization Portfolio - Current | 36,742 | - | - | 137,000 | (100,258) |
| RLF Portfolio-Current | 37,099 | 16,626 | 20,473 | 42,141 | (5,042) |
| SSBCI Portfolio-Current | 37,500 | 73,163 | (35,662) | 48,307 | (10,807) |
| Total Current Assets | 1,955,890 | 2,245,236 | (289,345) | 1,999,799 | (43,909) |
| Other Assets | | | | | |
| RLF Portfolio-Non Current | 363,655 | 235,605 | 128,049 | 268,210 | 95,445 |
| SSBCI Portfolio-Non Current | 601,615 | 800,791 | (199,176) | 601,051.9 | 563.09 |
| Stabilization Portfolio-Non Current | 73,258 | - | - | - | - |
| Allowance for Loan Losses | (21,934) | - | (21,934) | (21,934) | - |
| Total Other Assets | 1,016,593 | 1,036,396 | (19,803) | 869,262 | 96,008 |
| Total Assets | 2,972,484 | 3,281,632 | (309,148) | 2,869,060 | 52,099 |
| Liabilities & Equity | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 33,224 | 14,374 | 18,850 | 14,200 | 19,024 |
| Property Tax Payable | - | - | - | - | - |
| Accrued Expenses | - | (1,438) | 1,438 | - | - |
| Deferred 504 Revenue | 27,684 | 47,796 | (20,112) | 35,811 | (8,128) |
| Deferred Revenue | 50,646 | - | 50,646 | - | - |
| Due to/Due from EDA | 42,161 | 41,356 | 805 | 57,548 | (15,387) |
| Total Liabilities | 153,714 | 102,088 | 51,627 | 107,559 | 46,155 |
| Current Year Excess of Expenses over Revenue | 79,202 | (40,339) | 119,541 | (480,316) | 559,518 |
| Balance at Beginning of Year | 2,739,567 | 3,219,883 | (480,316) | 3,219,883 | (480,316) |
| Net Assets | 2,818,769 | 3,179,544 | (360,775) | 2,739,567 | 79,202 |
| Total Liabilities & Equity | 2,972,484 | 3,281,632 | (309,148) | 2,847,126 | 125,357 |

Big Sky EDC
Statements of Operations
For the Periods Ending November 30, 2020

| | Month | | | YTD | | | Fiscal Year |
|---|----------------|-----------------|---------------|----------------|-----------------|----------------|-----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Budget |
| Operating Revenue | | | | | | | |
| 504 Loan Origination | \$0 | \$5,455 | (\$5,455) | \$52,539 | \$96,818 | (\$44,279) | \$135,000 |
| 504 Loan Servicing | 43,099 | 40,500 | 2,599 | 220,870 | 216,000 | 4,870 | 499,500 |
| Float Income | 7,474 | - | 7,474 | 7,474 | - | 7,474 | - |
| CTE Director Donations (Restricted) | - | - | - | - | - | - | - |
| Member Investment | - | - | - | 91,400 | 63,250 | 28,150 | 253,000 |
| RLF Business Loan Interest | 2,584 | 1,417 | 1,167 | 5,695 | 7,083 | (1,388) | 17,000 |
| RLF Origination Fees | - | - | - | - | - | - | 5,000 |
| Stabilization Loan Interest | 208 | 417 | (208) | 1,172 | 2,083 | (912) | - |
| SSBCI Revenue | 1,440 | 1,500 | (60) | 8,324 | 7,500 | 824 | 18,000 |
| Recovery of Bad Debt | - | - | - | - | - | - | - |
| Coronavirus Relief Funds | 50,185 | - | 50,185 | 67,784 | - | 67,784 | - |
| Healthcare Appreciation Income | 34,158 | - | 34,158 | 34,158 | - | 34,158 | - |
| Miscellaneous Revenue | 113 | - | 113 | 12,614 | - | 12,614 | - |
| Total Revenue | 139,262 | 49,288 | 89,974 | 502,030 | 392,735 | 109,295 | 927,500 |
| Operating Expenses | | | | | | | |
| Business Incubation | - | 125 | (125) | - | 625 | (625) | 1,500 |
| Business Recruitment | - | 208 | (208) | 851 | 1,042 | (190) | 2,500 |
| Bad Debt Expense | - | 1,042 | (1,042) | 1,500 | 5,208 | (3,708) | 12,500 |
| Contingency | - | 1,667 | (1,667) | - | 8,333 | (8,333) | 20,000 |
| Dues and Subscriptions | 5,118 | 5,321 | (204) | 10,923 | 12,632 | (1,709) | 21,561 |
| EDA Reimbursement | 41,623 | 48,251 | (6,628) | 233,544 | 241,255 | (7,711) | 579,012 |
| Event Expense | (1,387) | 1,000 | (2,387) | 15,098 | 17,500 | (2,402) | 33,500 |
| Healthcare Appreciation | 70,255 | - | 70,255 | 70,255 | - | 70,255 | 33,501 |
| Insurance | 843 | 865 | (22) | 4,210 | 4,325 | (115) | 10,380 |
| Investment in Economic Activity | - | - | - | - | - | - | 5,000 |
| Marketing - Departmental | 7,206 | 1,958 | 5,247 | 15,073 | 10,192 | 4,881 | 23,900 |
| Marketing - Organizational | 4,848 | 1,292 | 3,556 | 10,354 | 6,458 | 3,896 | 15,500 |
| Membership Development | 15 | 700 | (685) | 213 | 3,500 | (3,287) | 8,400 |
| Office Supplies | 236 | 500 | (264) | 5,989 | 1,700 | 4,289 | 3,800 |
| Professional Fees | 11,811 | 8,083 | 3,728 | 41,500 | 29,417 | 12,084 | 67,500 |
| Postage and Printing | - | 75 | (75) | 425 | 375 | 50 | 900 |
| R31 Outreach | 100 | 575 | (475) | 288 | 875 | (587) | 2,300 |
| Rent | 2,519 | 2,588 | (69) | 12,609 | 12,940 | (331) | 31,629 |
| Repairs | - | - | - | - | - | - | - |
| Sponsorships | 1,500 | - | 1,500 | 8,500 | 15,200 | (6,700) | 19,700 |
| Telecommunications | 325 | 555 | (230) | 2,219 | 2,773 | (555) | 6,656 |
| Travel/Training | 280 | 6,593 | (6,312) | 8,421 | 17,173 | (8,751) | 27,505 |
| Miscellaneous | 3,070 | 2,032 | 1,038 | 20,357 | 15,060 | 5,297 | 39,884 |
| Total Operating Expenses | 148,362 | 83,430 | 64,933 | 462,328 | 406,583 | 55,747 | 967,129 |
| Net Revenue Over (Under) Expense | (9,101) | (34,142) | 25,041 | 39,702 | (13,848) | 53,549 | (39,629) |
| Non-Operating Income/Expense | | | | | | | |
| Coulson Park | 7,500 | - | 7,500 | 39,500 | - | 39,500 | - |
| Total Non-operating Income/Expense | 7,500 | - | 7,500 | 39,500 | - | 39,500 | - |
| Net Revenue Over (Under) Expense | (1,601) | (34,142) | 32,541 | 79,202 | (13,848) | 93,049 | (39,629) |



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT C

GOVERNANCE COMMITTEES

EDA/EDC Joint Executive Committee

| <u>EDA</u> | <u>EDC</u> |
|---------------|----------------|
| Paul Neutgens | Steve Loveless |
| Ken Lutton | Ann Kosempa |
| Judi Powers | Mac Fogelsong |
| Dana Pulis | Kim Jakub |
| Riley Bennett | Mike Seppala |

The Executive Committee provides the initial governance and guidance for EDA/EDC policies, strategic priorities and budget. It also functions as the Planning Committee for purposes of setting expectations for the Boards' Strategic Planning processes

MEETING SCHEDULE: First Wednesday of each Month.

Ad Hoc Legislative Committee

| <u>EDA</u> | <u>EDC</u> |
|---------------|----------------|
| Jennifer Owen | Steve Loveless |
| Paul Neutgens | Mike Phillips |
| Riley Bennett | Ann Kosempa |

Member Investors

Luke Kobold, Billings Clinic
Daniel Brooks, Chamber of Commerce

Staff

Steve Arveschoug

The Ad Hoc Legislative Committee develops the legislative agenda for Board consideration and then provides guidance during the state legislative session.

MEETING SCHEDULE: As needed

Big Sky Opportunity Fund Committee

| <u>EDA</u> | <u>EDC</u> |
|-------------------------|-------------------|
| Ken Lutton— Comm. Chair | Mike Nelson |
| Jennifer Smith | Ann Kosempa |
| George Warmer | Scott Chesarek |
| OPEN | Craig Bartholomew |

Staff

Steve Arveschoug Melanie Schwarz
Shanna Zier

The Opportunity Fund Committee Serves to make strategy and funding recommendations on the development of the Opportunity Fund. They also serve as the Committee that

Revised: 12.29.20

MEETING SCHEDULE: As needed

evaluates and recommends projects that are intended to benefit from the Opportunity Fund.

EDA/EDC Joint Nominating Committee

EDA

Chair— Paul Neutgens
Vice Chair— Ken Lutton
Member at Large – Dana or Riley

EDC

Chair— Steve Loveless
Vice Chair— Ann Kosempa – Committee Chair
Past Chair— Mike Seppala

Community Representatives*

Commissioner—Denis Pitman
City of Laurel— Nick Altonaga
City of Billings—Shaun Brown

Staff

Becky Rogers
Steve Arveschoug
Brandon Berger
Melanie Schwarz

The Joint Nominating Committee provides recommendations for the appointment or election of the EDA and EDC Board Members and recommendations for the nomination and election of officers. During the EDA board member selection process, this Committee will screen applicants and make recommendations concerning the appointment of EDA Board members. That process includes Community Representatives as prescribed by Yellowstone County resolution. EDA and EDC Boards must annually confirm the Nominating Committee Membership.

**Community Representatives are only needed for the EDA process.*

MEETING SCHEDULE: As needed

PROGRAM COMMITTEES

Loan Committee

Anne DeBoo—Western Security Bank
Mary Dyre—Karrell Dyre Haney LLP
Ron Cole—MT Peterbilt
Dennen Gamradt—Eide Bailly LLP
Randy Swenson—Tendernest, LLC
Darrin Maas—Stockman Bank
Dustin Barber – Opportunity Bank
Mac Fogelson—EDC Board
Paul Neutgens –EDA Board

Staff

Brandon Berger

The Loan Committee reviews and approves or disapproves SBA 504 and Revolving Loan requests.

MEETING SCHEDULE: As needed

Membership Committee

EDC

| | |
|----------------|-------------|
| Bob Wilmouth | OPEN |
| Scott Chesarek | OPEN |
| Aaron Ramage | OPEN |

Staff

Melanie Schwarz
Steve Arveschoug

The Membership Committee works with the Member Investor Program Director to retain and build the number of EDC Member Investors.

MEETING SCHEDULE: Quarterly meetings

SBDC Advisory Council

EDA

Paul Neutgens
Greg McDonald

Community

Allyn Hulteng
Ann Clancy
Jennifer Webber
Jennifer Mercer
Jeremy Vannatta
Joel Bertolino
Skip King

Staff

Lorene Hintz
Steve Arveschoug

EDC

Dave Ballard
Ann Kosempa

Kris Carpenter
Michael Morrison
Rene Beyl
Gary Slane
Scott Severance
Katy Easton
James Smith

Kevin Scharfe

The mission of the SBDC Advisory Council is to collaboratively offer guidance, market insight, and support for the enhancement of services that help small businesses start, grow, or expand their business. The vision is for our regional service center (supporting a 9-county area) to be a strong and dynamic community for the growth and success of small business.

MEETING SCHEDULE: Two times a year in January and July

Recruitment Committee

EDA

Dana Pulis
Greg McDonald
George Warmer

Community

Casey McGowan
Katy Easton
Liz Ching

Staff

Allison Corbyn

EDC

Mike Seppala
Nicole Bengé
Open

John Roberts
Wyeth Friday
Debbie Singer

The Recruitment Committee serves as a resource for the Director of Business Recruitment & Outreach. Board members and key community partners serve on this committee. MEETING SCHEDULE: Quarterly meetings

REPRESENTATIVE COMMUNITY SERVICE

BillingsWorks Workforce Council

| | |
|---------------|-------------|
| <u>EDA</u> | <u>EDC</u> |
| Ken Lutton | Open |
| Jennifer Owen | Open |
| Open | Andy Gott |
| Open | Open |

* Indicates Steering Committee Member

Staff

Melanie or BW Staff Member

The BillingsWorks Workforce Council is a partnership of stakeholders working to set and execute strategies for the development of the Billings area workforce/talent pool. The Board members listed on the BillingsWorks Workforce Council are the EDA and EDC representatives on the greater Workforce Council.

MEETING SCHEDULE: As needed, approximately 6 times per year

Trailhead Hospitality Corridor Vision Steering Committee

| | |
|-------------|---------------|
| <u>EDA</u> | <u>EDC</u> |
| John Brewer | Mike Phillips |
| Don Jones | Jon Stepanek |

Staff

Steve Arveschoug

The Trailhead Hospitality Corridor Vision Steering Committee is a boarder group of stakeholders in the redevelopment of the Gateway Concept and of the East Billings Urban Renewal District. The Board members listed are EDA and EDC representatives on that Committee.

MEETING SCHEDULE: First Friday of every-other-month from 11:45am—1:00pm

Rock31 Advisory Council

| | |
|-------------|---------------|
| <u>EDA</u> | <u>EDC</u> |
| Judi Powers | Bob Wilmouth |
| Dana Pulis | Michael Marsh |

Staff

| | |
|------------------|--------------|
| Kevin Scharfe | Dustin Frost |
| Lorene Hintz | |
| Steve Arveschoug | |

The Rock31 Advisory Council provides insight, industry knowledge, and guidance as we work to create a more robust and comprehensive entrepreneurial ecosystem in our community.

MEETING SCHEDULE: TBD

VBOC Advisory Council

| | |
|-------------|-------------|
| <u>EDA</u> | <u>EDC</u> |
| Open | Open |
| Open | Open |

Staff

Dustin Frost

The VBOC Advisory Council works to provide guidance, experience, and insight to enhance the Program as it works to best serve transitioning service members, activity duty service members and spouses who are interested in business ownership.

MEETING SCHEDULE: TBD

REPRESENTATIVE COMMUNITY SERVICE

Brownfields Advisory Council

EDA

Open

EDC

Mac Fogelsong

Open

Community Partners

Wyeth Friday

Zack Terakedis

John Armstrong

Ken Kunkel

Katy Easton

Staff

Dianne Lehm, Patrick Klugman, Thom MacLean

The Brownfields Advisory Committee reviews potential Brownfield projects regarding expansion, reuse, and development in our community.

MEETING SCHEDULE: As needed, approximately 6 times per year, generally via email.

Space2Place Micro Grants Committee

EDA

Riley Bennett

Open

EDC

Mac Fogelsong

Ann Kosempa

Staff

Dianne Lehm, Patrick Klugman, Thom MacLean, Melanie Schwartz, Steve Arveschoug

The Space2Place Micro Grants Committee serves as the selection committee who reviews Space2Place grant applications made available by the Community Development Team.

MEETING SCHEDULE: Generally the first quarter of the year, approximately four, 2-hour meetings.

PTAC Advisory Council

EDA

Riley Bennett

EDC

Eric Simonsen

Scott Chesarek

Aaron Ramage

Community Partners

Velvett Cummins

Gary Stephens

Kevin Gustainis

Meghan Holmlund

Staff

Deanna Langman, Rosalind Dix, Steve Arveschoug

The PTAC Advisory Council works to provide guidance, experience, and industry insight to enhance the MT PTAC Program. Committee members also support outreach and education efforts to stakeholders across Montana.

MEETING SCHEDULE: TBD



BIG SKY
ECONOMIC DEVELOPMENT

EDA • EDC CREATING MONTANA BUSINESS OPPORTUNITIES

ATTACHMENT D

**MONTANA DEPARTMENT OF COMMERCE
CONTRACT # 21-51-070**

This Contract is entered into by Big Sky Economic Development Authority, Billings, Montana (Contractor), and the **Montana Department of Commerce**, Helena, Montana, (Department).

The Contractor and the Department hereby agree to the following terms:

Section 1. PURPOSE

The purpose of this Contract is to provide for the operation of the Billings Small Business Development Center (Billings SBDC) to provide prospective and existing small business persons and entities in Carbon, Big Horn, Yellowstone, Stillwater, Sweet Grass, Wheatland, Petroleum, Musselshell and Golden Valley counties with counseling, training and specialized services concerning the formation, financing, management and operation of small business enterprises, reflecting local needs.

Section 2. AUTHORITY

This contract is issued under authority of Title 90, Chapter 1, Part 1, Montana Code Annotated and under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

The Host Agency will engage in activities as set forth in the List of Deliverables, attached hereto and specifically incorporated by this reference (Exhibit 1). The Host Agency shall also meet all responsibilities and obligations listed in the Host Agency and SBDC Business Advisor Duties, attached hereto and specifically incorporated by this reference (Exhibit 2).

- a. Consistently and correctly enter client information, sessions and impact into Neoserra as required but not limited to the following goals.

222 clients served,
476 jobs supported,
1,800 client hours,
15 new business starts,
\$6,000,000 in capital funding obtained,
62 long term clients,
3 success stories.

* All milestones must have proof of client attribution

Section 4. ACCEPTANCE OF PROGRAM REQUIREMENTS

- (a) The Contractor will comply with all applicable requirements and administrative directives established by the Department and all other applicable local, state and federal laws, regulations, administrative directives, procedures, ordinances, or resolutions applicable to the SBDC Program, and all administrative directives and procedures established by the Department for the Montana SBDC Program, including but not limited to the following:
- 1) Section 21 of the Small Business Act (15 U.S.C. § 648);
 - 2) Small Business Development Centers Rules (13 C.F.R. Part 130);
 - 3) OMB 2 CFR-200 Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards.
 - 4) SBA/SBDC Funding Opportunity;
 - 5) Notice of Award - Terms and Conditions;
- (b) The Host Agency expressly agrees to repay to the Department any funds advanced under this Contract that the Host Agency, its contractors, or subcontractors, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract, expends in violation of the terms of this Contract, the statutes and regulations governing the SBDC Program, or any applicable local, state, or federal requirements.
- (c) The Contractor expressly agrees to repay to the Department any funds advanced under this Contract that the Contractor, its subcontractors, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract, expends in violation of the terms of this Contract or any other applicable local, state, or federal requirement.

Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

- (a) This Contract shall take effect January 1, 2021 and will terminate on December 31, 2021, unless terminated earlier in accordance with the terms of this Contract.
- (b) The exact nature of the agreed upon duties and responsibilities may change according to the annual Funding Opportunity. The parties acknowledge that if the Contract will be

amended annually, the Contract may need to be revised. All revisions to the contract will be by contract amendment and shall be signed by all parties.

- (c) This Contract may, upon mutual agreement between the parties and according to the terms of the existing Contract or revisions thereto negotiated between the parties, be renewed in one-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of seven years.

Section 6. BUDGET

- (a) For 2021, The Department has allocated \$117,000.00 in federal funding for SBDC Host reimbursement. The Department will provide up to \$60,000.00 in state funding reimbursement for match. Funding allocation is based on direct costs for 3 FTE. The SBDC Host will provide the remaining 1:1 match in which at least 50% must be cash match.
- (b) Adjustments to the budget must be approved in advance by the Department. While there are allowances for changes in expending funds outside the budgeted line item, they are limited to 10% of the Network total before an amended budget must be submitted. Therefore, the Lead Office must monitor and approve in advance any deviation from approved budgets.
- (c) Any authorized funds not expended upon termination of this Contract will revert to the Department and will be used to finance other SBDC Program activities.

Section 7. UNAVAILABILITY OF FUNDING

The Department may, at its sole discretion, terminate or reduce the scope of the Contract if available funding is eliminated or reduced for any reason.

Section 8. AMOUNT OF CONTRACT AND METHOD OF PAYMENT

- (a) The Department will authorize the Host Agency to draw up to the allocated amount of \$177,000.00 against the funding reserved for it by the Department. In drawing against the reserved amount, the Contractor will follow the instructions supplied by the Department.

- (b) The Department agrees to reimburse the Host Agency for engaging in the activities described Section 5 SCOPE OF WORK, and upon approval by the Department of the Host Agency's Montana SBDC Request for Reimbursement and Invoice Report (Exhibit 3) for eligible, allowable costs incurred through the end of any month. As the Host Agency incurs eligible costs it agrees to submit adequate documentation of each cost to the Department, according to the instructions attached to the Request for Reimbursement form.
- (c) The Department will not reimburse the Host Agency for any costs incurred in violation or breach of this Contract.
- (d) The Host Agency acknowledges and agrees to repay any grant funds expended on activities not included in Section 5 SCOPE OF WORK or Section 6 BUDGET or an approved amendment thereto; any grant funds not expended upon termination of this Contract; or any use of grant funds not clearly and adequately supported, in the sole discretion of the Department, by the Host Agency's records.
- (e) The Host Agency must provide matching funds in cash or in-kind at the rate of 1:1 by the end of each calendar year. Of the annual state statutory appropriation of general funds (HBI) to the SBDC Program, up to 10% will be distributed for each service center as cash match. The cash match account, as well as the SBA federal funds distributed to the SBDC Program, must be under the direct management of the SBDC Director.
- (f) As further set forth in Section 23 TERMINATION OF CONTRACT, if the Host Agency fails to or is unable to comply with any of the terms and conditions of this Contract, any costs incurred will be the Host Agency's sole responsibility unless and until the Department and the Host Agency agree on a plan to remedy the failure or noncompliance.
- (g) Unless otherwise stated herein, the Department is allowed 30 days to process a Request for Reimbursement. The Host Agency may be required to provide banking information at the time of Contract execution in order to facilitate electronic funds transfer payments.

Section 9. REPORTING REQUIREMENTS

- (a) The Host Agency shall submit reports on its performance with the activities in Section 5 SCOPE OF WORK as set forth in Exhibit 1.
- (b) The Department, at its discretion, may decline to honor any Request for Reimbursement if any required report has not been submitted to the Department.

Section 10. LIAISONS

The contact persons for this Contract are:

For the Department:

Chad Moore, SBDC State Director
Department of Commerce
301 S. Park Ave.
P.O. Box 200505
Helena, MT 59620-0505

For the Contractor:

Lorene Hintz, SBDC Regional Director
Big Sky Development Authority
222 N. 32nd St. Suite 200
Billings, MT 59101

Section 11. ACCESS TO AND RETENTION OF RECORDS

- (a) The Contractor agrees to provide the Department, Montana Legislative Auditor, or their authorized agents, access to any records necessary to determine Contract compliance. The Contractor agrees to create and retain records supporting the services rendered or supplies delivered for a period of three (3) years after either the completion date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party, whichever is later. These records will be kept in the Contractor's offices.

Section 12. PROJECT MONITORING

- (a) The Department, the U.S. Small Business Administration, the Comptroller General of the United States, the Montana Legislative Auditor, or any of their authorized agents may monitor and inspect all phases and aspects of the Host Agency's performance to determine compliance with the SCOPE OF WORK, and other technical and administrative requirements of this Contract, including the adequacy of the Host Agency's records and accounts. The Department will advise the Host Agency of any specific areas of concern and provide the Host Agency opportunity to propose corrective actions acceptable to the Department.
- (b) Failure by the Host Agency to proceed with reasonable promptness to take necessary

corrective actions shall be a default. If the Host Agency's corrective actions remain unacceptable, the Department may terminate this Contract in whole or in part, or reduce the contract price or award to reflect the reduced value of services received.

- (b) Failure by the Contractor to proceed with reasonable promptness to take necessary corrective actions shall be a default. If the Contractor's corrective actions remain unacceptable, the Department may terminate this Contract in whole or in part, pursuant to the provisions of Section 23 TERMINATION OF CONTRACT.

Section 13. COMPLIANCE WITH APPLICABLE LAWS

The Contractor must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973 and the Patient Protection and Affordable Care Act ("Affordable Care Act"). Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with Mont. Code Ann. § 49-3-207, the Contractor agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the Contract.

The Affordable Care Act requires a Contractor, if Contractor is an applicable large employer under the ACA, to provide healthcare coverage for its employees, who provide services for the State and work for 30 or more hours per week. This coverage must also cover the eligible employee's dependents under the age of 26. The coverage must (a) meet the minimum essential coverage, minimum value, and affordability requirements of the employer responsibility provisions under Section 4980H of the Code (ACA), and (b) otherwise satisfy the requirements of the Code § 4980 H (ACA) if provided by the State.

Section 14. ACCOUNTING, COST PRINCIPLES, AND AUDITING

- (a) The Contractor, in accordance with Section 18-4-311, MCA and other authorities, must maintain for the purposes of this Contract an accounting system of procedures and practices that conforms to Generally Accepted Accounting Principles (GAAP).

- (b) The Department or any other legally authorized governmental entity or their authorized agents may, at any time during or after the term of this Contract, conduct, in accordance with Sections 2-7-503, 5-13-304, and 18-1-118, MCA and other authorities, audits for the purposes of ensuring the appropriate administration, expenditure of the monies, and delivery of services provided through this Contract.

Section 15. AVOIDANCE OF CONFLICT OF INTEREST

- (a) The Contractor will comply with sections 2-2-121, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, and any other applicable local, state, or federal law regarding the avoidance of conflict of interest.

Section 16. OWNERSHIP AND PUBLICATION OF MATERIALS

All reports, information, data, and other materials prepared by the Contractor pursuant to this Contract are the property of the Contractor and the Department, which both have the royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, in whole or part, such property and any information relating thereto. No material produced in whole or in part under this Contract may be copyrighted or patented in the United States or in any other country without the prior written approval of the Contractor and the Department.

Section 17. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The Contractor shall not assign, transfer or subcontract any portion of the Contract without the express written consent of the Department.

Section 18. HOLD HARMLESS AND INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under the Contract.

Claims under this provision also include those arising out of or in any way connected with Contractor's breach of this contract, including any Claims asserting that any of Contractor's employees are actually employees or common law employees of the State or any of its agencies, including but not limited to, excise taxes or penalties imposed on the State under Internal Revenue Code ("Code") §§ 4980H, 6055 or 6056.

Section 19. INSURANCE

- (a) General Requirements. Contractor shall maintain and shall assure that its representatives, assigns, and subcontractors maintain for the duration of the Contract, at their own cost and expense, primary liability insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the duties and obligations in the Contract by Contractor, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission. The State, its officers, officials, employees, and volunteers are to be covered as additional insured's for all claims arising out of the use of grant proceeds provided by the State of Montana.
- (b) Primary Insurance. Contractor's insurance coverage shall be primary insurance with respect to the State of Montana, its elected or appointed officers, officials, employees, or volunteers and shall not contribute with it.
- (c) General Liability Insurance. At its sole cost and expense, the Contractor shall purchase occurrence coverage with minimum combined single limits of \$1 million per occurrence and \$2 million aggregate per year, or as established by statutory Tort limits of \$750,000 per claim and \$1,500,000 per occurrence as provided by a self-insurance pool insuring counties, cities, or towns, as authorized under Section 2-9-211, MCA.
- (d) Professional Liability Insurance. Contractor shall assure that any representatives, assigns, and subcontractors performing professional services under this Contract purchase occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three (3) year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

- (e) **General Provisions.** All insurance coverage shall be placed with a carrier licensed to do business in the State of Montana or by a domiciliary state and with a Best's rating of at least A-, or by a public entity self-insured program either individually or on a pool basis as provided by Title 2, MCA. All certificates and endorsements are to be received by the Department prior to beginning any activity provided for under the Contract. Contractor shall notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. The Department reserves the right to request complete copies of Contractor's insurance policy at any time, including endorsements.

Section 20. COMPLIANCE WITH THE AFFORDABLE CARE ACT

Contractor is Employer. Contractor is the employer and, therefore, responsible for providing healthcare benefits for its employees if Contractor is an applicable large employer under the Patient Protection and Affordable Care Act. Contractor represents and warrants that all individuals who perform services for an agency of the State are and at all times shall remain Contractor's common law employees. Contractor further acknowledges and agrees that, throughout the term of this contract, Contractor retains the right to direct and control its employees.

State Benefit Plans. Contractor agrees and acknowledges that it, its agents or employees are not entitled to participate in any of the benefit plans or programs that the State now or hereafter maintain for its employees. If any state or federal court, or any local, state or federal government agency, division or other related government entity, shall determine that Contractor, its agents, or employees, are considered an employee or common law employee of the State, or if for any reasons Contractor, its agents or employees, were to meet the eligibility criteria with respect to any benefit plan or program now or hereafter available to State employees or otherwise become eligible to participate in any State-sponsored benefit plans or programs, Contractor, its agents, or employees, waive any right to participate in, either retrospectively or prospectively, or receive any benefits under any State-sponsored benefit plans or programs. This waiver of any right to participate in State-sponsored employee benefit programs represents a material component of the terms and compensation agreed to by these parties and is not in any way conditioned on any representation or assumption concerning status of Contractor, its agents, or employees, with respect to the State, as employee, common law employee, independent contractor or temporary employee.

Contractor Provided Health Care Coverage. Contractor, if Contractor is an applicable large employer under the ACA, shall offer to all its agents or employees, who perform services for the State under this contract for more than 30 or more hours a week and their dependents under age 26, health care coverage under its health care plans. Such coverage must provide minimum essential coverage and minimum value, and be affordable for purposes of the employer responsibility provisions under Section 4980H of the Code, and otherwise satisfy the requirements of Code § 4980H if provided by the State.

Reporting Requirements. Contractor, if Contractor is an applicable large employer under the ACA, further states that it shall satisfy all reporting requirements under Code §§ 6055 and 6056 with respect to individuals who perform services for the State.

Auditing. The State may audit Contractor's operations to ensure that Contractor has complied with the statements made above.

21. DEBARMENT

The Contractor certifies and agrees to ensure during the term of this Contract that neither it nor its principals or subcontractors are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Contract by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the Department.

Section 22. CONTRACT AMENDMENT

The Contract may not be enlarged, modified, amended, or altered except upon written agreement signed by all parties to the Contract.

Section 23. TERMINATION OF CONTRACT

Unless otherwise stated, the Department may, by written notice to the Contractor, terminate the contract in whole or in part at any time the Contractor fails to perform the Contract.

Section 24. DEFAULT

Failure on the part of either party to perform the provisions of the Contract constitutes default. Default may result in the pursuit of remedies for breach of contract, including but not limited to damages and specific performance.

Section 25. COMPLIANCE WITH WORKERS' COMPENSATION ACT

The Contractor accepts responsibility for supplying, and requiring all subcontractors to supply, the Department with proof of compliance with the Montana Workers' Compensation Act while performing work for the State of Montana. (Mont. Code Ann. §§ 39-71-401, 39-71-405, and 39-71-417.) Neither the Contractor nor its employees are employees of the State. The proof of insurance/exemption must be in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and must be received by the Department within 10 working days of the execution of this Contract, and must be kept current for the entire term of the contract.

CONTRACTS WILL BE TERMINATED PURSUANT TO THE PROVISIONS OF SECTION 23 TERMINATION OF CONTRACT IF THE CONTRACTOR FAILS TO PROVIDE THE REQUIRED DOCUMENTATION WITHIN THE ALLOTTED TIME FRAME.

Coverage may be provided through a private carrier or through the State Compensation Insurance Fund (406) 444-6500. An exemption can be requested through the Department of Labor and Industry, Employment Relations Division (406) 444-1446. Corporate officers must provide documentation of their exempt status.

Section 26. FORCE MAJEURE

Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

Section 27. SEPARABILITY

A declaration by any court, or any other binding legal source, that any provision of the Contract is illegal and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

Section 28. NOTICE

All notices required under the provisions of the Contract must be in writing and delivered to the parties' liaisons either by first class mail or personal service.

Section 29. NO ARBITRATION

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the parties as a method of resolving disputes that would arise under this Contract.

Section 30. REFERENCE TO CONTRACT

The Contract number must appear on all invoices, reports, and correspondence pertaining to the Contract.

Section 31. REGISTRATION WITH SECRETARY OF STATE:

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with Mont. Code Ann. §§ 35-1-1026 and 35-8-1001. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, contact the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://www.sos.mt.gov>.

Section 32. NO WAIVER OF BREACH

No failure by the Department to enforce any provisions hereof after any event of breach shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any event of breach shall be deemed a waiver of any provision hereof. No such failure or waiver shall be deemed a waiver of the right of the Department to enforce each and all of the provisions hereof upon any further or other breach on the part of the Grantee.

Section 33. JURISDICTION AND VENUE

This Contract is governed by the laws of Montana. The parties agree that any litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

Section 34. INTEGRATION

The Contract contains the entire agreement between the parties, and no statements, promises, or inducements of any kind made by either party, or the agents of either party, not contained herein or in a properly executed amendment hereto are valid or binding.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

Big Sky Development Authority:

Steve Arveschoug, Executive Director

Date

MONTANA DEPARTMENT OF COMMERCE:

Adam Shafer, Deputy Director

Date

SBDC Host Contract Exhibit 1

Montana SBDC Network Deliverables / Performance Outcomes

1. Submit a minimum of one Success Story per FTE

Each Small Business Development Center (SBDC) must submit success stories annually by **October 1st**. All must be publishable and are to be written in the format provided by the Lead Center (History & Background, Obstacles/Challenges, Assistance provided, and Outcome). The lead center will assist with the preparation and publishing. The success stories are to be reported into the SBDC client management database as a milestone. The success stories can be for a client from the previous calendar year, but are active within the last twelve months.

For publication *outcomes should include if applicable: 1) number of jobs supported; 2) Capital infusion; 3) New business start; 4) Business expansion; 5) Business retention; 6) Business purchase, etc.

**See Contract Exhibit 1-A Definitions*

Success stories will be published in various promotional outlets including: SBDC, Small Business Administration (SBA), Montana Department of Commerce (MDOC), Governor's Office of Economic Development (GOED), America's SBDC (ASBDC), SBDC host; websites, press releases, newsletters, legislature reports, etc.

For success stories that will be published or released to the public the SBDC Regional Director must obtain permission from the client to release the information using SBA Form 1926, which is available in the *Montana SBDC Network* Dropbox folder under *SBA Forms*.

2. Meet 75% of SBDC Regional Service Center Goals

Each SBDC Service Center must meet the minimum productivity level of **75%** of the goals outlined in the contract in section 3. The goals will be amended annually.

The goals are listed below.

- Clients Served
- Jobs Supported
- New Business Starts
- Capital Infusion

3. Maintain a Client Satisfaction Rating Between 85 – 100%

Client satisfaction surveys are conducted quarterly by the Lead Center and distributed to the SBDC Service Centers. Each SBDC Service Center must maintain a client satisfaction rating between 85 – 100%. To obtain a minimum acceptable response rate, ensure accurate client contact information including up to date address, email and phone numbers in the client management system.

4. Create Annual Regional Workplans to Coordinate with MTSBDC Network Strategic Plan

The Montana SBDC will be working with Regional Directors and Business advisors to develop overall strategic priorities for the MTSBDC Network. Regional Directors will be expected to create annual workplans for their center focused on accomplishing the overall strategic objectives identified in the MTSBDC strategic plan. Reporting impact and overall outcomes from the plan will be required.

SBDC Contract
Exhibit 2 - Minimum Host, SBDC and Lead Center Roles and Responsibilities

| Program Area | Duties and Responsibilities | SBDC Director/ Business Advisor | Host Agency | Lead Center | Frequency | References |
|---|---|------------------------------------|----------------|----------------|--------------------------------|---|
| Staffing/Services | SBDC salaries must approximate the average salaries of parallel positions within the recipient organization, if the recipient organization is not an educational institution. The recipient organization should consider the longevity in the program and the individual's experience and background. Salaries for all other positions within the SBDC should be based upon responsibility, and be comparable to salaries for similar positions in the area and served by the SBDC. Recruitment and salary increases should conform to the administrative policy of the recipient organization | x | x | x | Ongoing | Notice of Award, 13 CFR 130.460 (f), (2), (3), Host Agency contract clause. |
| | Maintain adequate staffing levels for the delivery of client services, replacing Key Personnel no more than 60 days after the vacancy (if possible). The SBDC Lead Center must be informed immediately in the event of a vacancy or of any changes or additions to the SBDC Service Center staff. The host agency and SBDC business advisor must develop a plan for handling clients and inquiries in the event of a vacancy. | x | x | x | Ongoing | SBA Funding Opportuntiy, SBA Notice of Award |
| | The SBDC Network must perform statutorily required services as described in the Program Announcement, Section C. Program Requirements. | x | | x | Ongoing | SBA Notice of Award, OSBDC Terms and Conditions |
| | The SBDC Network must provide counseling services at no cost and may charge a reasonable fee for training. | x | | | Always | SBA Notice of Award, OSBDC Terms and Conditions |
| | The SBDC Director shall attend or send a designee to attend the MTSBDC network meetings and to any other meetings, trainings, or conferences designated as mandatory by the State Director. | x | | | 2 - 6 by Webinars or In-Person | Best Management Practices of the ASBDC to meet operational and programmatic challenges and maintain accreditation |
| | SBDCs provide services to businesses that have no more than 500 employees, under the broadest definition of small business. See size standards at www.sba.gov/size for specifics | x | | | Ongoing | www.sba.gov/size |
| Marketing/Branding | Each SBDC Service Center shall remain separate and identifiable from the HOST AGENCY. | | x | | Ongoing | SBA Funding Opportunity, Notice of Award, OSBDC Terms and Conditions |
| | Small Business Development Center must be a part of the legal name of every service center within the SBDC network. | | x | x | Ongoing | SBA Funding Opportunity |
| | SBDC Service Center must have a publicly listed phone number and/or extension through the host agency and the telephone must be answered identifying it as a Small Business Development Center. | | x | | Ongoing | Past OSBDC Program Review and best management practices, SBDC Funding Opportunity |
| | Operational Hours - SBDC Lead Center and Service Centers must be open to the public throughout the year during the normal business hours of the host institution. | | | x | Daily | OSBDC Terms and Conditions, SBDC funding opportunity |
| Reviews/Audits | The SBA 641 Form or equivalent form must be signed by each client to become a client of the SBDC and to advise the client that they are obligated to participate in surveys to ensure continued public funding. (Except where a Client consents in writing or as directed by SBA per the statute (15 U.S.C. § 648(a)(7)), SBDCs are not permitted to disclose any Client Information to a third party (or share such information with other units of host organizations not directly involved in the conduct of this project)) | x | | | Each counseling engagement | OSBDC Terms and Conditions |
| | The SBDC Service Centers are evaluated by SBA/OSBDC every year (either a financial exam or programmatic review) | x | x | x | Annual | SBA funding opportuntiy, OSBDC terms and Conditions |
| | The Host Agency must provide the Lead Center with a copy of their organization's independent financial audits. | | x | x | Annual | OMB Circulars; audit results required for SBA Financial Examination of SBDC Service Centers |
| | Service Centers are annually reviewed by the SBDC Lead Center to assure compliance with SBA requirements, best management practices and ASBDC accreditation standards. | x | x | x | Annual | SBA Notice of Award; ASBDC Accreditation Standards |
| | The host agency must adhere to the SBA's Simplified Indirect Cost Rate Agreement | | | x | Annual | SBDC Funding Opportunity |
| | Regional Directors and Business Advisors are expected to be actively involved in the the ASBDC Accreditation process, which occurs every five years, but is an ongoing process of improvement. Receipt of SBA/SBDC funds is predicated on being accredited by the ASBDC. | x | x | x | Ongoing | OSBDC Terms and Conditions |
| Record keeping | All SBDC applicants and their Service Centers will be required to maintain complete and accurate records and supporting documentation for at least 3 years, to facilitate a thorough program audit. All significant client counseling, training and other activities shall be fully documented in NeoSerra (client management system) and electronic/paper files | x | x | x | Ongoing | OSBDC Terms and Conditions; ASBDC Accreditation Standards; 13 CFR 130.800 |
| Administrative / Organizational Support | Regional Directors and Business Advisors are expected to be actively involved in the ongoing strategic planning process. Each Regional Director will be expected to create an annual workplan for their center focused on accomplishing the overall strategic objectives identified in the MTSBDC strategic plan. | x | x | | Ongoing | ASBDC Accreditation Standards, OSBDC Terms and Conditions, Best Management Practices |
| | The Host and SBDC should have a mutually beneficial relationship. Host support includes: -Assisting the SBDC in adhering to the MDOC Contract, SBA Notice of Award, SBA Terms and Conditions, and ASBDC Accreditation Standards -Cooperating with the Lead Center to assist SBDC employees in fulfilling their job responsibilities -Maintaining adequate financial management to cooperate with the Lead Center to maintain SBA Level II status on financial examinations -Cooperating and responding timely to Lead Center requests -Assisting the SBDC Business Advisor/Director to identify target markets and regional client needs -Promoting and marketing SBDC program services in their regional service area | x | x | | Ongoing | OSBDC Terms and Conditions, ASBDC Accreditation Standards, SBDC Best Management Practices |

MONTANA SBDC BUDGET AND REQUEST FOR REIMBURSEMENT INVOICE REPORT

Center: **SBDC at Big Sky Economic Development Authority**
 Address: **222 N. 32nd St., Suite 200**
Billings, MT 59101

Grant #: **OSBDC-2021-02-CY 2021**
 Contract#: **21-51-070**
 Invoice Period: _____
 Grantee Request #: _____ **January**
1

| Approved Budget: | Federal Grant (SBA) | Network (SBA) | Network (DOC) HB52 | Host Cash Match | Host In-Kind Match | SBA Indirect Waived | Lead Center (DOC HB2) | Total Budget |
|-------------------------|----------------------|---------------|---------------------|---------------------|--------------------|---------------------|-----------------------|----------------------|
| (A) Personnel | \$ 117,000.00 | | \$ 53,705.00 | | | | | \$ 170,705.00 |
| (B) Fringe Benefits | | | \$ 6,295.00 | \$ 56,865.85 | | | | \$ 63,160.85 |
| (C) Travel | | | | \$ 18,050.00 | | | | \$ 18,050.00 |
| (D) Equipment | | | | | | | | \$ - |
| (E) Supplies | | | | \$ 940.00 | | | | \$ 940.00 |
| (F) Contractual | | | | | | | | \$ - |
| (G) Consultant | | | | | | | | \$ - |
| (H) Other Direct | | | | \$ 9,921.00 | | | | \$ 9,921.00 |
| (I) Indirect | | | | | | \$ 81,933.82 | | \$ 81,933.82 |
| Total | \$ 117,000.00 | \$ - | \$ 60,000.00 | \$ 85,776.85 | \$ - | \$ 81,933.82 | \$ - | \$ 344,710.67 |

| YTD Expenditures: | Federal Grant (SBA) | Network (SBA) | Network (DOC) HB52 | Host Cash Match | Host In-Kind Match | SBA Indirect Waived | Lead Center (DOC HB2) | Total YTD |
|--------------------------|---------------------|---------------|--------------------|-----------------|--------------------|---------------------|-----------------------|---------------------|
| (A) Personnel | \$ 9,750.00 | \$ - | \$ 4,475.42 | \$ - | \$ - | \$ - | \$ - | \$ 14,225.42 |
| (B) Fringe Benefits | \$ - | \$ - | \$ 524.58 | \$ - | \$ - | \$ - | \$ - | \$ 524.58 |
| (C) Travel | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (D) Equipment | | | | | | | | |
| (E) Supplies | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (F) Contractual | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (G) Consultant | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (H) Other Direct | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (I) Indirect | \$ - | | | | | \$ 6,827.82 | | \$ 6,827.82 |
| Total | \$ 9,750.00 | \$ - | \$ 5,000.00 | \$ - | \$ - | \$ 6,827.82 | \$ - | \$ 21,577.82 |

| Current Period Expenditures | (SBA) 03207 | Network (SBA) | (DOC HB52) 01100 | Host Cash Match | Host In-Kind Match | SBA Indirect Waived | (DOC HB2) 01100 | Total |
|------------------------------------|--------------------|---------------|--------------------|-----------------|--------------------|---------------------|-----------------|---------------------|
| (A) Personnel | \$ 9,750.00 | | \$ 4,475.42 | | | | | \$ 14,225.42 |
| (B) Fringe Benefits | | | \$ 524.58 | | | | | \$ 524.58 |
| (C) Travel | | | | | | | | \$ - |
| (D) Equipment | | | | | | | | \$ - |
| (E) Supplies | | | | | | | | \$ - |
| (F) Contractual | | | | | | | | \$ - |
| (G) Consultant | | | | | | | | \$ - |
| (H) Other Direct | | | | | | | | \$ - |
| (I) Indirect | | | | | | \$ 6,827.82 | | \$ 6,827.82 |
| Total | \$ 9,750.00 | \$ - | \$ 5,000.00 | \$ - | \$ - | \$ 6,827.82 | \$ - | \$ 21,577.82 |

Invoice Amount (should equal "Total Federal" plus "Total DOC" above): **\$ 14,750.00**

VENDOR # 208927

Contract Certification: I certify that the payment requested on this invoice is substantiated by records of original entry and that the program expenditures are valid and consistent with the terms of the contract agreement.

Signatures: _____
 SBDC Director/Business Advisor Date Executive Director or Host Representative Date

Grantor Approval: I have reviewed this request and approve it for payment in the amount of: **\$ 14,750.00**

Chad Moore
 SBDC State Director Date

Total Match Obligation (100% of Total Federal)
 Total YTD 1:1 Match

| |
|----------------------|
| \$ 9,750.00 |
| \$ 11,827.82 |
| \$ (2,077.82) |

121% More Match Required? **NO**

Cash Match Obligation (50% MINIMUM)
 Total YTD Cash Match*

| |
|--------------------|
| \$ 9,750.00 |
| \$ 5,000.00 |
| \$ 2,375.00 |

51% More Cash Match Required? **NO**

*(DOC+Host Cash)

MONTANA SMALL BUSINESS DEVELOPMENT CENTER
Client Confidentiality and Code of Conduct

Client Confidentiality Agreement

This applies to all SBDC employees, interns, volunteers, consultants and individuals with access to client information. We recognize the sensitive nature of the relationship of the Montana Small Business Development Center (hereafter called SBDC) with its clients and the public, and as part of my contract to provide products and services for the SBDC. We agree to the following standards of conduct:

1. Small Business Act, [15 U.S.C. 648(a)] Section 21(a)
(7) Privacy Requirements

(A) IN GENERAL.—A small business development center, consortium of small business development centers, or contractor or agent of a small business development center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

(i) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

(ii) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a small business development center, but a disclosure under this clause shall be limited to the information necessary for such audit.

(B) ADMINISTRATOR USE OF INFORMATION.—This section shall not—

(i) restrict Administrator access to program activity data; or

(ii) prevent the Administrator from using client information to conduct client surveys.

2. SBA Notice of Award Part III (A) (4)
Protection of Client Information

Except where a Client consents in writing, you are not permitted to disclose any Client information to a third party (or share such information with other units of your organization not directly involved in the conduct of this project) without SBA approval, For further guidance regarding the prior approval process, see Part III (A) (12).

In addition, you cannot disclose a Client's name, address, or telephone number to any party (including SBA,) except where:

- a. the Client consents in writing;
- b. a court orders such disclosure; or

MONTANA SMALL BUSINESS DEVELOPMENT CENTER
Client Confidentiality and Code of Conduct

- c. SBA determines it is necessary for the purpose of conducting programmatic or financial examination or Client surveys.

SBDC Code of Conduct Agreement

1. Relations with Clients - As a condition of my service with the Montana SBDC network, I agree to the following:

- a) I shall not use my position for a purpose that is, or gives the impression of being, motivated by a desire for personal gain for myself or persons with whom I have business, family, or other relationships;
- b) I shall not recommend the purchase of goods or services from sources in which they have a direct or indirect interest;
- c) I shall not solicit or accept, or appear to solicit or accept, any gift, loan, reward, equity in a business, compensation, or other monetary remuneration, promise of future employment, favor or service from third parties who supply goods or services to the SBDC;
- d) I shall not solicit or accept, or appear to solicit or accept, any gift, loan, reward, equity in a business, compensation, or other monetary remuneration, promise of future employment, favor or service in return for services performed by the SBDC;
- e) I shall not solicit or accept, or appear to solicit or accept, any gift, loan, reward, equity in a business, compensation, or other monetary remuneration, promise of future employment, favor or service in return for recommending any goods or services to an SBDC client;
- f) I shall not solicit or accept private business consulting/counseling engagements from any person seeking counseling from the SBDC network during my term of employment with the SBDC. Nor will I solicit an engagement as a paid consultant for an SBDC client within six months subsequent to the term of my employment with the SBDC;
- h) I shall not invest monies, personal services or property in the business of any SBDC client;
- i) I shall hold the affairs of all persons seeking SBDC services in strict confidence and maintain the high standards of professional conduct;

2. Outside Employment – With regard to “moonlighting,” owning a business, consulting, teaching or other for-profit activities outside the normal working hours and service delivery of the SBDC, all key employees of the SBDC must comply with the following standards:

- a) Notify the Lead Center, in writing and in advance, regarding the proposed activity and any potential for conflicts of interest which may arise;
- b) Assure/Demonstrate that the outside activity does not interfere with the full performance of the employee’s SBDC responsibilities;
- c) Assure/ Demonstrate that all such activities are not performed in any way during normal business hours of the SBDC;
- d) Assure/Demonstrate that his/her position with the SBDC is not used, or does not appear to be used, to arrange the eventual utilization of his or her service for private gain.

MONTANA SMALL BUSINESS DEVELOPMENT CENTER
Client Confidentiality and Code of Conduct

3. Outside Business Relationship(s) – In the event the Montana SBDC customer and the employee/consultant should desire to enter into a business relationship contrary to these provisions, a written request from the Center Business Advisor must be submitted to the Montana SBDC State Director. Written approval must be obtained from the Montana Lead Center. Written approval from the Montana Lead Center extends for six months after the case has been closed and/or for six months after the termination of the employment by an SBDC employee/consultant. Further, the request for private engagement of service must be initiated by the client and not by the current or former employee/consultant.

I have read the SBDC Client Confidentiality and SBDC Code of Conduct policies above, and understand that disregard for or non-compliance with any of these policies may lead to immediate dismissal or other remedies.

2021 SBDC Contract
Table of Contents – Exhibits and Action Items

| Exhibit # | Document Title | Action Required |
|--------------------|--|------------------------|
| | Certificate of Insurance | Submit current policy |
| | | |
| Contract Exhibit 1 | List of Deliverables | Review |
| Exhibit 2 | Host, SBDC, Lead Center Roles and Responsibilities | Review |
| Exhibit 3 | Budget & Request for Reimbursement Invoice | Review |
| | | |
| | <i>Code of Conduct & Confidentiality Agreement</i> | <i>Review</i> |
| | <i>Definitions</i> | <i>Review</i> |
| | <i>Professional Development</i> | <i>Review</i> |
| | <i>Required Services</i> | <i>Review</i> |
| | <i>Program Income Policy</i> | <i>Review</i> |
| | <i>Training & Workshops</i> | <i>Review</i> |
| | | |
| | | |
| | | |
| | | |

Note: Copies of contracts and all contract exhibits are available in the centers' individual Dropbox folder.

SBDC Host Contract Exhibit 1-A – Definitions

2021 SBA Funding Opportunity Section 8

The following definitions apply to awards made under this Funding Opportunity (See 13 CFR Part 130 et seq. for additional definitions relating to Small Business Development Centers.):

1.0.1 Budget Period

The 24-month period, in which expenditure obligations are incurred by an SBDC Network, coinciding with either the fiscal or calendar year. For the purposes of this Funding Opportunity, the initial budget period will be January 1, 2021, to December 31, 2021 for calendar year awards. For the fiscal year awards the initial budget period is October 1, 2020 to September 30, 2021.

1.0.2 Businesses Created, Number of (Reporting)

Clients that were able to start (indicated they are in business) as a result of services received.

Computed by EDMIS, businesses are considered “Started” if, at the previous session (whether in the current fiscal year or a past one), the client was not “in business,” and at a subsequent session or update (in the fiscal year being reported) was “in business” (SBA Form 641). See Section 8.1.6 for definition of “in business”.

A New Business Start is counted for any counseling or training session within the specified time frame, FY or Quarter, that indicates the client is in business (the *In Business* flag is marked yes) and where all prior sessions, including sessions outside the time frame, indicates the client was not in business (the *In Business* flag is marked no).

1.0.3 Capital Infusion

- Dollar Amount of SBA Loans;
- Dollar Amount of non-SBA Loans;
- Dollar Amount of Equity Capital (to include private investment)

Capital infusion includes all forms of debt and investments from all sources (i.e., lines of credit, consumer debt products used specifically for the business, angel investors, owner’s capital contributions, etc.). Credit lines and other revolving debt facilities/instruments are to be recognized for the full amount of the line of credit when established and not to be based on individual drawdowns.

1.0.3.1 Reporting Capital Infusion

Capital infusion will be tracked throughout each fiscal year and compiled from year-to-year to collect aggregate data. Capital infusion is the aggregate amount from the SBA Form 641, Total Dollar Amount of SBA Loans, Total Dollar Amount of non- SBA loans and Dollar Amount of Equity Capital Received. Capital infusion shall be reported, client-by-client, once it is known as an update on the Form 641 and uploaded to EDMIS on a quarterly basis.

1.0.4 Client

The client is the business, if it exists. In the case of a prospective business, the client is the individual (i.e. nascent entrepreneur or pre-venture) receiving SBDC services. Each client will be counted only once in a fiscal year, and the reporting will include both the number of sessions and the number of hours spent with the client. There are three types of clients:

SBDC Host Contract **Exhibit 1-A – Definitions**

- a. Nascent (Pre-venture) Entrepreneur: those individuals who have taken one or more active steps to form a business, according to the Kauffman Foundation (www.kauffman.org). This includes individuals seeking assistance from SBA and/or one of its resource partners;
- b. In-Business: An “in business client” is defined as one that has completed required registration(s), if applicable, with the local, state, and/or Federal Government (e.g., DBA registration, get a business license, agency issued tax identifications, etc.) AND at least one of the following:
 - Has documented a transaction from the sale of a product or professional or personal service for the purpose of gain or profit;
 - Has contracted for or compensated an employee(s) or independent contractor(s) to perform essential business functions;
 - Has acquired debt or equity capital to pursue business operations (e.g., to purchase inventory, equipment, building, business, etc.); or
 - Has incurred business expenses in the operation of a business; and
- c. Start-up: those individuals (entities) who have been in business up to 12 months.

1.0.5 Contact Hours

The amount of time spent directly counseling/interacting with a client.

1.0.6 Contributions/Donations

Funds received by the SBDC and expended. May be used as match or overmatch in the year expended. Federal funds or amounts reported as match may not be used as contributions to others.

1.0.7 Consultation/Counseling/Advising/Guidance

1.0.7.1 Services provided to an individual and/or business that are:

- a) Substantive in nature and require assistance from resource partner or District Office personnel in the formation, management, financing and/or operation of a small business enterprise; AND
- b) Specific to the needs of the business or individual; AND
- c) Require a signed SBA Form 641 or equivalent form that supports SBA’s management information database.
- d) Counseling is one-on-one, in person (face-to-face), on the telephone or electronic. To allow for reporting of time invested in a client, preparatory time will be tracked separately from contact time but attributed toward counseling time in data reporting.
- e) Travel time will not count toward counseling time but will be tracked separately. SBDCs must provide counseling to both current and nascent entrepreneurs (pre-venture). An SBDC’s counseling clients should be reflective of its Service Area's demographics.
- f) SBDCs must assist small businesses in solving problems concerning operations, manufacturing, engineering, technology exchange and development, personnel administration, marketing, sales, merchandising, finance,

SBDC Host Contract

Exhibit 1-A – Definitions

accounting, business strategy development and other disciplines required for small business growth and expansion, innovation, increased productivity, management improvement and maintaining the industrial base.

- g) Fees for counseling may not be charged.
- h) Each client will be counted once in a fiscal year, with the reporting to include both the number of sessions and the number of hours spent with each. If multiple people participate from one business, only one person will complete SBA Form 641. The counselor will note how many people were in attendance so that the number of people served can be tracked. This will only be collected on the initial SBA Form 641.
- i) Face-to-face Counseling (in person): Meets the definition of “counseling” and is conducted in person between counselor(s) and client representatives. The recipient of the counseling must acknowledge, through an SBA Form 641 or an SBA approved “electronic substitute,” the requirements imposed by accepting counseling assistance from the SBA or its resource partner(s).

1.0.7.2 Online Counseling (electronic): Meets the definition of “counseling” and is computer or internet based. The recipient of the online counseling must acknowledge, through an SBA Form 641 or an SBA approved “electronic substitute,” the requirements imposed by accepting counseling assistance from the SBA or its resource partner(s).

- Reporting Online Counseling: At a minimum the following fields should be completed on SBA Form 641 or an SBA approved electronic substitute:
 - a. Client Name or approved client-coded name/number;
 - b. Email Address; and
 - c. Zip Code.
- SBA Form 641 or an equivalent form that supports SBA’s management information database may be completed electronically by the client in SBDC programs with the capability to accept verified electronic signatures. In states that do not accept electronic signatures, the SBDC must obtain a form with the client’s original signature.

1.0.7.3 Telephone Counseling: Meets the definition of “counseling” and is conducted via telephone. The recipient of the counseling must acknowledge, through an SBA Form 641 or an SBA approved “electronic substitute,” the requirements imposed by accepting counseling assistance from the SBA or its resource partner(s).

- Reporting Telephone Counseling: At a minimum the following fields should be completed on SBA Form 641 or an SBA approved electronic substitute:
 - a. Client Name or approved client-coded name/number;
 - b. Telephone Number; and
 - c. Zip Code.

1.0.8 Cooperative Agreement

A legal instrument reflecting a relationship between the United States Government and a Recipient when the principal purpose of the relationship is to transfer a thing of value to the Recipient to carry out a public purpose of support or stimulation and substantial involvement is expected between the awarding Agency and the Recipient when carrying out the activity contemplated in the Agreement.

SBDC Host Contract

Exhibit 1-A – Definitions

1.0.9 Distance Learning

Distance learning is the process of connecting clients with remote and multiple resources. The technologies used include video, audio, computer, satellite, audio-graphic and print technologies.

1.0.10 Electronic Commerce (e-Commerce)

Electronic commerce refers to all aspects of business and market processes enabled by the internet and other digital technologies.

1.0.11 Employee (Staff, full-time, part-time)

For purposes of the export counseling certification requirement, this definition consists of all professional (counseling and training) staff. This includes contractors (consultants) hired for counseling and training purposes. SBDCs shall use the full-time equivalent total for counseling and training staff as the basis for calculating the minimum number of certified export staff members required.

1.0.12 Equity Capital

Equity contributions to the business as reported on Form 641. Includes all funding (except loans) obtained by clients attributed to SBDC assistance including: grants, SBIR awards, equity investments (private and owner), etc.

1.0.13 Goals and Initiatives

Goals are provided by SBA. Initiatives are shorter term items of interest or may include populations designated by SBA for special emphasis.

1.0.14 Grants Management Officer (GMO)

The SBA official with delegated authority to obligate federal funds by signing the Notice of Award is the Grants Management Officer GMO. Also referred to in this Funding Opportunity as the Grants Management Specialist (GMS).

1.0.15 In-Business

See Section 8.1.6 for definition of *Client*.

1.0.16 In-Kind

A non-cash match contribution based on the value of goods and services that are provided to the project, which may include office equipment and office space. In-kind donations may be provided by the recipient, subrecipient, contractor or other party to the Cooperative Agreement, and must be appropriately valued and documented. See Section 6.4.5 for guidance on in-kind documentation.

1.0.17 Jobs Supported

Total number of employee positions supported by services provided. Computed by EDMIS as a sum of jobs created and jobs retained.

1.0.18 Key Personnel

Key personnel include Lead Center and Service Center directors or managers, including personnel responsible for managing specialty programs for Technology, International Trade Centers and the person designated to maintain the SBDC's PIMS information (PIMS designee). It does not include trainers, consultants, counselors or support staff.

SBDC Host Contract

Exhibit 1-A – Definitions

1.0.19 Loan Package

A collection of documents required by a lender used to make a business loan approval decision.

1.0.20 Nascent Entrepreneur (Pre-Venture)

An individual that has taken one or more active steps to form a business is a nascent entrepreneur. An individual who seeks assistance from SBA and/or one of its resource partners meets this definition. See Section 8.1.6 for definition of Client.

1.0.21 Pre-business Workshop

A training program designed for individuals interested in owning and managing a small business or small business owners who have been in operation up to 12 months.

1.0.22 Prep Time

The amount of time spent preparing and researching information for a business or individual client. To allow for reporting of time invested in a client, preparatory time will be tracked separately from contact time but attributed toward counseling time in data reporting.

1.0.23 Program Funds

Includes all SBA/SBDC federal funds, all match contributions, cash and non-cash, and program income. It does not include other funds managed by the SBDC outside the SBA Cooperative Agreement.

1.0.24 Program Income

Gross income earned by the recipient that is directly generated by an activity supported with project funds or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award and license fees and royalties on patents and copyrights.

1.0.25 Project Period

The total annual period of performance for an award made under this Funding Opportunity.

1.0.26 Recipient Organization

An Applicant organization for which federal funding is approved to establish a SBDC Network Lead Center and which enters into a cooperative agreement with SBA.

1.0.27 Religious Organization

An entity that is organized for religious purposes and engages in activity consistent with, and in furtherance of, such purposes.

1.0.28 Reporting Cycle

The reporting cycle for performance data is based on the Federal Government's fiscal year. Data must be reported to SBA based on the four quarters that occur during October 1st – September 30th.

1.0.29 SBA Resource Partners

Organizations that provide services through SBA funding or through another recognized relationship with SBA. Resource partners include SBDCs, Service Corps of Retired Executives (SCORE),

SBDC Host Contract **Exhibit 1-A – Definitions**

Veterans Business Outreach Centers (VBOCs), Women’s Business Centers (WBCs), U.S. Export Assistance Centers (USEACs), the SBA Microloan Program micro-lenders and non-lender technical assistance providers and SBA Co-sponsorship and Memorandum of Understanding partners.

1.0.30 SBDC Lead Center

The entity established by the SBDC Recipient Organization that has a current Cooperative Agreement with SBA to administer and operates the SBDC Network. The Lead Center is responsible for establishing an SBDC Network for a defined area and for overall program development, service coordination, financial management, reporting, promotion and public relations, evaluation, assessment and internal quality control over Network services.

1.0.31 SBDC Network/SBDC Program

The “Network” is the combination of the Lead Center, SBDC Service Centers and satellite locations.

1.0.32 SBDC Satellite Locations

A geographic point of service delivery that operates on a full or part-time basis under the direct management of an SBDC Lead Center or Service Center. SBDCs may staff service locations on a less than full time basis, but must provide information regarding regularly scheduled hours of service or service availability by appointment, and make this information readily available to SBA and the public. During operating hours, satellite locations must include required SBDC and SBA signage, and must provide space for confidential client counseling and secure storage of any client information maintained on site.

1.0.33 SBDC Service Center

An SBDC service location that operates on a full-time basis to provide counseling and training services within a service area designated by the Lead Center. Service Centers must be accessible to the public and staffed during the normal business hours throughout the year, except as granted by prior approval. Lead Centers shall establish a director or manager for each Service Center, and shall establish performance goals, and monitor Centers to ensure SBDC services are delivered in compliance and consistent with the requirements, policies and procedures established by SBA and the Lead Center. The SBDC Network must primarily use institutions of higher education and WBCs as service providers.

1.0.34 SBDC Subrecipients (Subcontracted Service Centers)

An entity authorized by the Lead Center to perform SBDC counseling and training services. The subrecipient entity must be identified in the Cooperative Agreement, having a written agreement with the Recipient Organization that (1) receives federal financial assistance and/or (2) administers matching resources for purposes of conducting SBDC activities.

1.0.35 Small Business

A business entity:

- i) That is independently owned and operated, is not dominant in its field of operation, is organized for profit with a place of business located in the United States, and operates primarily within the United States; and
- ii) That does not exceed the applicable size standard for its industry as established under 13 C.F.R. § 121. In general, the most common size standards are:

SBDC Host Contract

Exhibit 1-A – Definitions

- 500 employees for most manufacturing and mining industries;
- \$39.5 million in average annual receipts for most general & heavy construction industries;
- \$16.5 million in average annual receipts for all specialty trade contractors;
- \$8 million in average annual receipts for most retail and service industries; and
- \$1.0 million in average annual receipts for most agricultural industries.

1.0.36 Special Emphasis Groups

Groups whose members are underrepresented in the population of business owners compared to their representation in the overall population. Special Emphasis Groups may include: disabled individuals, Native Americans or Alaska Natives, Black or African Americans, Asian Americans, Native Hawaiians or other Pacific Islanders, Hispanics, women, veterans, service connected-disabled veterans, self-employed Reserve and Guard members, transitioning military personnel and spouses, individuals in rural areas, individuals in HUB Zones and individuals in low to moderate income urban and rural areas as determined by Census Bureau information, individuals in Opportunity Zones, among others.

1.0.37 Start-Up Business

A business entity that has been in business up to 12 months is considered a start-up business. See also Section 8.1.6 for definition for Client.

1.0.38 Technical Assistance

Counseling or training services provided to an individual and/or business in accordance with the terms of this Funding Opportunity and a Recipient's Notice of Award.

1.0.39 Training Hours (Total Number of Training Hours)

Total hours of training are the number of hours that the trainer spends teaching the training session.

1.0.40 Travel Time

The amount of time spent traveling to/from a location (separate from assigned post-of-duty) to meet with business or individual clients. If meeting with more than one client, travel time is only counted once. Travel time will not count toward counseling time but will be tracked separately.

1.0.41 Unique Clients Served

Number of unique clients counseled and/or trained. Computed by EDMIS as a count of unique SBA client IDs with a reported counseling session or training in the time period indicated. In order to be counted, clients must be reported using an SBA Form 641.

Montana SBDC Professional Development

The Montana Small Business Development Center is dedicated to providing excellence in our service to the businesses of our State. It is important to provide consistency across the network in the level of knowledge and skills we provide our clients across the state. As a SBDC professional, you are an integral part of achieving that goal. The skills and abilities you bring to our Network will serve to strengthen our effectiveness. We also recognize the value of giving you opportunities to continue to develop your personal excellence through a program of Professional Development. We ask that each year you assess your areas of need for development, and schedule training that will give you the advantage you can use to succeed. The following will help you to organize your personal plan of development:

SBDC Regional Director/Business Advisor Orientation:

Welcome to the Montana Small Business Development Center (SBDC) Network. As part of our working relationship, the staff of the Lead Center strives to help you understand the administrative duties and responsibilities of your position within the network. Once you are settled in at your new office at your host agency, contact the Lead Center to schedule hour-long training sessions virtually.

Topics covered will be:

- SBDC Overview Presentation
- SBDC Dropbox
 - Montana SBDC Network folder
 - SBA Funding Opportunity & Notice of Award
 - SBA-DOC Cooperative Agreement Term and Conditions
 - SBDC Network Strategic Plan
 - ASBDC & Accreditation
 - Professional Development
 - Advisor tools and resources
 - Marketing Plan and Branding Guide
 - Center Folder
 - Contract
 - Request for Reimbursement
 - Program Income
- Neoserra - Client Management System (<https://mtsbdc.neoserra.com/login>)
 - Outreach Systems
 - E-center Direct

Within 90 days,

visit the Montana Lead Center at Commerce & the SBA District Office in Helena
visit at least one other service center

Within the first year,

certify through the Association of Small Business Consultants
attend the ASBDC Conference

Regional Director Mentor Program:

Two site visits to SBDCs within 90 days of hire

During each site visit the new SBDC Business Advisor will:

- Share best practices to ensure quality consulting and training curriculums
- Observe as many consulting sessions as possible

- Attend business training courses

Mentor Observation: Your mentor will observe you within 60 days of hire to provide feedback. Please have a full day of counseling sessions booked when they come in.

CORE COMPETENCIES –The ASBDC Professional Development committee identified four broad key areas of competencies: **Business Plan Development, Financial Analysis, Marketing, and Business Strategic Planning.**

Supplemental Competencies - SBDC consulting staff should seek to develop skills from the list below especially when there is evidence of a local need for one or more of the following:

- Business Management
- Intellectual Property
- Budgetary/Financial Management
- Human Resource Management
- Market/Industry Research
- Business Valuation
- Customer Service
- International Trade & Export
- E-Commerce & Cyber Security
- Knowledge of Federal, State, and Local Loan Programs
- Knowledge of Federal, State and Local Resource Partners

SBDC BUSINESS ADVISOR CERTIFICATION

Every SBDC Business Advisor **must certify** through the Association of Accredited Small Business Consultants (AASBC).

The AASBC is the world's leading educational and training certification program for small business and SME consultants.

The AASBC is the only global association specializing in training and certification of small business and SME Consultants. Advantages of membership are:

SEMP Approach: Simplified Examination to Maximize Profit methodology focuses on all core competencies necessary to successfully consult with small business and SME clients.

Advisors must enter completed training into Neoserra under the Professional Development module. This serves as documentation of the professional development training obtained.

RECOMMENDED SOURCES OF TRAINING:

Courses may be taken from quarterly meeting training, online training sources, colleges or universities, government resources, and private commercial resources. Sources are at your discretion and are subject to approval of the host agency Executive Director and SBDC State Director and should be consistent with your annual professional development plan. The Lead Center suggests that you attend the ASBDC Annual Conference at least every two years.

- ASBDC Annual Conference
- SBDC Network Meetings
- Online trainings (SBA.gov or other)

- Growth Wheel
- ProfitMastery-Business Resources Services (BRS)
- National Development Council (NDC) – *Economic Development Finance Professional Certification*
- SBA Export Certification
- NASBITE International - Certified Global Business Professional
- Risk Management Association (RMA)
- International Economic Development Association (IEDC) courses
- Kauffman FastTrac
- NxLevel Instructor/Program Manager training
- Colleges and Universities
- CBA – Certified Business Advisor online training through Kent State
- Federal, state, and local economic development programs
- Other state SBDC professional development programs in the region (such as Wyoming, Washington or Idaho)
- Other trade organization and certification programs: CareerTrack, SkillPath, American Management Association, Edward Lowe Foundation, Kauffman Foundation, etc.
- Other identified opportunities that meet the SBDC standards

Montana SBDC Program Income Policy & Procedures

This Program Income Policy is designed to direct SBDC service centers to the federal regulations and outline procedures that will help ensure compliance with Federal requirements

Applicability

These guidelines are applicable to program income generated by the SBDC Network. The SBDC statewide Network is comprised of ten services center offices across the state and the lead center in Helena. The SBDC State Network is under the management of the lead center at the Montana Department of Commerce in Helena. The guidelines incorporate SBA/SBDC procedures, policies, and federal regulations governing program income.

Policy

Program income is primarily generated by training fees. The Montana SBDC Lead Center encourages SBDC service centers to recover some or all the costs associated with presenting SBDC training events. Centers are encouraged to charge reasonable fees that allow for cost recovery and the generation of additional income to further program objectives. The program income earned is treated as an extension of the SBDC program budget and can only be used for expenses that are allowable and allocable and reasonable according to federal rules and regulations.

The total amount of Program income earned and expensed in any year by the individual SBDC service centers is collected at the service center level, tracked by the lead center, and reported by the lead center in aggregate to the SBA on an annual basis. Although earned, expensed, and held in accounts locally, program income ultimately remains under the management and responsibility of the SBDC Lead Center. Program income would be returned to the lead center if a service center closed, or the funds were mismanaged.

Donations are generally not considered program income. However, donations from corporate sponsors, companies or individuals may be placed in this program income account. When that occurs, those funds become subject to federal restrictions. It may be more appropriate to keep donations not tied to a specific SBDC activity in a separate account that is not subject to federal restrictions.

Procedures

To comply with the regulations below, the Montana SBDC service centers shall report the following at the time a reimbursement request is made, no more frequently than monthly and no less than quarterly, on the SBA form provided by the lead center:

1. List all revenue, expenditures, and any interest earned on the program income form.
2. Account for all revenues and expenditures on a separate detailed general ledger account
3. Send copies of all receipts/invoices for revenue and expenditures associated with reported activities.
4. A narrative description of how program income was used to further eligible SBDC program objectives.
5. SBA requirements for SBDC training
 1. SBA form 888 (Neoserra)
 2. Marketing Materials: Topic Description
 - a. Adhere to the Montana SBDC Branding & Marketing plan
 - b. Acknowledgment of SBA Support/Use of SBA "Powered By" Logo
 - c. Accessibility/accommodations notice is required
 - d. Fee structure - must state in advance the levels if more than one, and who is entitled to *discounted fees if applicable.
 3. Attendee list

Montana SBDC Program Income Policy & Procedures

4. Attendee evaluations
5. Co-Sponsors Cost sharing form (if applicable)

*Discount Fees

All seminar fees are non-refundable except when a seminar is cancelled. All promotional pieces will advertise the seminar fee with any discounts available. A discount, if requested of 25 to 50%, may be given if three or more people from the same company register. For promotional purposes coupons may be issued for free admission to attend a targeted seminar. Students may be given a discount (if requested) to attend certain seminars. Seminar and conference fees will be waived for speakers, special guest, facilitators, sponsors, and panelist. Discounts and free coupons can be issued at the discretion of the SBDC director. (Place on promotional materials and registration website)

FEDERAL REQUIREMENTS

OSBDC Funding Opportunity

Program Income

Gross income earned by the recipient that is directly generated by an activity supported with project funds or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federally-funded projects, the sale of commodities or items fabricated under an award and license fees and royalties on patents and copyrights.

SBDCs may charge reasonable fees to cover program costs associated with this training. These fees are considered program income and shall be used to expand services and further SBDC program objectives.

SBDC Co-hosted Training

SBDCs are encouraged to enter into co-hosted training arrangements with the private sector and other organizations to extend outreach and productivity. (Cooperation between members of the SBDC Network (i.e., Lead Center with Service Centers or other organizations funded through the Cooperative Agreement with SBA is not considered a co-hosting).

In order for an SBDC to receive credit for a co-hosted training event, it must actively participate (i.e., provide speakers, materials, publicity) with the organization assuming primary responsibility for financing the training session. Final responsibility for the quality of the training rests with the SBDC. For all co-hosted training among ED resource partners where there will be a distribution of receipts in whole or in part to the co-host, the training file for the activity must document clearly the role and responsibility of the SBDC and each participant receiving a share of the receipts. The training file must also document how the receipts were distributed.

Each ED resource partner participating in a co-hosted training event is allowed to claim the total number of participants that attends a training event. Each ED resource partner must contribute substantive value to the co-hosted event in order to claim each participant attending the training event. The substantive value provided by the ED resource partner must be documented in the training file.

SBDCs are reminded that income received by the SBDC Network for all co-hosted programs is considered program income and cannot be used for match funding; it must be used to further support the SBDC program. Note that SBDC programs involving the SBA District Office and one or more third party organizations as co-hosts (such as lenders or chambers of commerce) are subject to the Agency's co-sponsorship requirements and may require a different treatment of program income receipts.

Program Funds

Includes all SBA/SBDC Federal funds, all match contributions, cash and non-cash, and program income. It does not include other funds managed by the SBDC outside the SBA Cooperative Agreement.

Montana SBDC Program Income Policy & Procedures

Financial Recordkeeping

...program income must be accounted for separately from other center resources. In addition, funds must be identifiable to the program year for which they were provided. SBDCs must maintain support documents for SBA Form 2113

Use of Program Income

Program income must be used to further the objectives of the SBDC Program and cannot be used for other purposes. Expenditures from program income are subject to OMB Uniform Guidance and SBDC Program rules and requirements as set forth in 13 C.F.R. § 130.480. SBDCs must expend any program income exceeding 25 percent of the SBDC's total budget (SBA Federal funds and matching funds) by year end. Any remaining program income may be carried over to subsequent budget periods to be used to further program objectives. SBDC Program recipients are responsible for establishing a separately identifiable program income account to facilitate financial reporting. All program income must be reported on SBA Form 2113 (Program Income Report). The SBDC will include as an attachment to the SF-425, the SBA Form 2113 and Form 2113 Worksheet and a narrative description of how program income was used to further program objectives.

Matching Funds

...cash match shall not include: i.) Funds contributed from other Federal sources [see exception below]; ii.) Program income or fees collected from recipients of assistance, whether collected by the Lead Center, Service Centers or any other participants in the SBDC Network; or iii.) Amounts committed by the Applicant organization for unidentified and/or contingent costs in the cost proposal.

There is one exception to the disallowance of Federal funds as cash match. Community Development Block Grant (CDBG) funds received from the Department of Housing and Urban Development (HUD) are allowed when: i.) The SBDC activities are consistent with the authorized CDBG activities for which the funds were granted; and ii.) The CDBG activities are identified in the Consolidated Plan of the CDBG grantee or in the Agreement between the CDBG grantee and the subrecipient of the funds.

FEDERAL RULES AND REGULATIONS REGARDING PROGRAM INCOME

2 CFR 200.307 - Program Income

SBDC Contract

Exhibit 6-B SBDC Program Objectives & Required Services

The SBDC Program is sponsored and partially funded by the U.S. Small Business Administration (SBA). The SBDC Program is governed by Section 21 of the Small Business Act, 15 U.S.C. § 648, and Federal regulations, 13 C.F.R. Part 130. Although SBA is responsible for the general management and oversight of the SBDC program, a legal partnership exists between SBA and the Recipient Organization for the delivery of assistance to the small business community.

SBDCs, under Section 21 of the Small Business Act (15 U.S.C. § 648), are required to provide counseling and training to small businesses including working with the SBA to develop and provide informational tools to support business start-ups and existing business expansion. In addition, pursuant to 13 C.F.R. Part 130.340(c), SBA has identified certain special emphasis groups, as defined in Section 8.1.36 to be targeted for assistance by SBDCs.

The SBDC Program is governed by a binding legal instrument between the Recipient Organization and the SBA known as a notice of award or cooperative agreement. The purpose of the Cooperative Agreement is to ensure the delivery of high quality business and economic development assistance (as defined by [13 C.F.R. Part 130.340](#) and the Small Business Act) to small businesses and prospective small businesses.

The SBDCs must ensure that their economic development and technical assistance services are available to all small business populations, including special emphasis groups [[13 C.F.R. Part 130.340\(c\)](#)].

The services provided must include those required by statute and shall include the activities of the Lead Center (Applicant) and all participating Network members. Each Applicant will be accountable to SBA for performing all services included in its proposal.

1.0.1 Statutorily Required Services

SBDCs are required to provide the following services:

- 1.0.1.1 On a non-fee basis, one-on-one confidential counseling/consultation/advising/guidance:**
- 1.0.1.2 Technology transfer, research and development:**
- 1.0.1.3 Rural Assistance:**
- 1.0.1.4 Export Assistance:**
- 1.0.1.5 Base Closure Assistance:**
- 1.0.1.6 Innovation Protection**
- 1.0.1.7 Small Business Employee Ownership and Cooperatives Promotion**
- 1.0.1.8 Regulatory Compliance:**
- 1.0.1.9 Specific Informational Needs:**

1.0.1 SBA Required Services

It is acknowledged that SBDCs receive funding from and must meet the mandates of its other funding sources. Despite these mandates, SBA District Directors and SBDC Lead Center Directors should identify services that meet local needs based on periodic needs assessments. SBDC Lead Center Directors should integrate the SBA strategic plan into the Proposal, including, but are not limited to:

- Maintaining international trade assistance to meet the requirements of the Small Business Act as amended by the Small Business Jobs Act of 2010 for the SBDC Program;

SBDC Contract

Exhibit 6-B SBDC Program Objectives & Required Services

- Assisting manufacturing workers interested in starting their own business and working closely with the U.S. Department of Commerce, National Institute of Standards and Technology's (NIST) MEP Program to assist small manufacturers;
- Providing programs focused on existing businesses to assist them with growth and expansion.
- Developing, facilitating and/or leveraging appropriate distance learning programs and/or initiatives that can be utilized by small business clients and, where appropriate, other SBA resource partners;
- Using market research tools such as the SBDC Clearinghouse, also known as SBDC Net, to serve the needs of the small business community;
- Developing programs in conjunction with the SBA Regional Administrator and SBA District Office; coordinating with their state, local and tribal economic development officials, chambers of commerce, lenders and other public and private entities to maximize business development in their respective Opportunity Zones.
- Developing economic recovery programs and plans that include counseling small business owners on ways and means to strengthen business recovery and continuity; and
- Participating in and actively supporting community economic development in the SBDC's stated area of geographic coverage, including coordination with all levels of government – Federal, state and local in support of initiatives that strengthen the infrastructure of the community and ensure stability and equality in community-based economic growth and development. The private sector, including business and professional organizations, should be invited to become stakeholders with the SBDCs acting as catalysts to initiate development projects beneficial to the community as a whole.
 - **Government Contracting Assistance**
 - **Access to Capital and Other SBA Programs**
 - **Emerging Markets**
 - **Historically Black Colleges and Universities**
 - **Opportunity Zones**
 - **Cybersecurity**
 - **Intellectual Property - USPTO:**
 - **Additional SBA Service Groups**

SBDC Host Contract Exhibit 1-C

Business Trainings, Workshops & SBDC Events

1. SBA Definition of a Training (Funding Opportunity – Section 6 & 8)

1.0.1 Training (Including long-term training)

An SBDC training workshop or seminar is defined as an activity or event in which a counselor from the SBDC, another resource partner, District Office, and/or a third party actively delivers a structured program of knowledge, information or experience on a business-related subject. The training must include two or more clients in attendance.

1.0.1.1 Online training (or webinars):

A structured program of knowledge, information or experience on an entrepreneurial or business-related subject. It must be of a quality and substantive nature and include a registration process as well as an evaluation process (e.g., one to five-star ranking). Online training can be synchronous or asynchronous. (Note: Must meet other criteria listed above.)

Synchronous: A group of clients proceed through the training module(s) or program as a group.

Asynchronous: A client individually proceeds through the training module(s) or program individually and is self-paced.

Applicants must provide quality training designed to improve the skills and knowledge of existing and prospective small business owners/managers throughout the SBDC Network.

Training planned by SBDCs must be shared with the SBA Project Officer to avoid duplication with training efforts offered by other local organizations and SBA. In addition, all training materials developed in an electronic format shall be made available to the SBA Project Officer and the SBDC Clearinghouse.

SBDCs may charge reasonable fees to cover program costs associated with this training. These fees are considered program income and shall be used to expand services and further SBDC program objectives.

1. SBDC Co-hosted Training

SBDCs are encouraged to enter into co-hosted training arrangements with the private sector and other organizations to extend outreach and productivity. (Cooperation between members of the SBDC Network ((i.e., Lead Center with Service Centers or other organizations funded through the Cooperative Agreement with SBA) is not considered a co-hosting).

In order for an SBDC to receive credit for a co-hosted training event, it must actively participate (i.e., provide speakers, materials, publicity) with the organization assuming primary responsibility for financing the training session. Final responsibility for the quality of the training rests with the SBDC. For all co-hosted training among ED resource partners where there will be a distribution of receipts in whole or in part to the co-host, the training file for the activity must document clearly the role and responsibility of the SBDC and each participant receiving a share of the receipts. The training file must also document how the receipts were distributed.

Each ED resource partner participating in a co-hosted training event is allowed to claim the total number of participants that attends a training event. Each ED resource partner must contribute substantive value to the co-hosted event in order to claim each participant

SBDC Host Contract Exhibit 1-C

attending the training event. The substantive value provided by the ED resource partner must be documented in the training file.

SBDCs are reminded that income received by the SBDC Network for all co-hosted programs is considered program income and cannot be used for match funding; it must be used to further support the SBDC program. Note that SBDC programs involving the SBA District Office and one or more third party organizations as co-hosts (such as lenders or chambers of commerce) are subject to the Agency's co-sponsorship requirements and may require a different treatment of program income receipts.

1.0.2 Training Activity

The SBDC must use SBA Form 888 or its equivalent to document and report SBDC training activities. The agenda and/or program content, attendee list and evaluations are required for each training event. SBDC's will submit all training information from the SBA Form 888 or equivalent form quarterly to SBA's data collection system (currently EDMIS). The training information will be considered certified by the State/Regional Program Director when uploaded into EDMIS. The SBA Form 888 or similar program developed form must be maintained at the SBDC for review by the SBA when requested. *Note, in order for training clients to be counted as part of unique clients served, a Form 641 must be completed for each unique training client.

1.0.2.1 Multi-Session Training:

For courses with multiple sessions, each session may count as one course. Sessions must correspond with the minimum training duration identified in the definitions listed in Section 8.1.39. SBA's management information system collects both the number of sessions and hours for the course.

1.0.2.2 Online Training:

An SBA Form 888 is required for all online training events. At a minimum, the following fields should be completed on a registration form for online training: a.) Client Name or approved client-coded name/number; b.) Email Address; and c.) Zip Code.

In addition, every attempt should be made to collect these data:

- Race;
- Ethnicity;
- Gender;
- Disability;
- Veteran Status; and
- Military Status.

2. SBDC Events

Promote SBDC Day

Training topics - SBA Important Priorities & Categories

Examples:

Cyber Security
Intellectual property
Opportunity Zones

SBDC Host Contract Exhibit 1-C

3. Recording Training Activity

Enter each event into the Neoserra “training” module at least a month before the event, so it may appear on the Montana SBDC Website. (SBA Form 888)

All marketing and training materials need to be reviewed by the Lead Center before publishing

It is encouraged to use Neoserra E-center for registration and online payments.

Attendees are not required to sign a 641, those who do will count as a “client served” that year with or without a client counseling session.

Must survey attendees, use provided SBA form, or other similar survey.

Contract Information Sheet

Division staff are required to complete the items in blue print.

Do not complete the fields in yellow if your contract went through State Procurement Office

| | | | |
|---|---|-----------------------|-------------------|
| Contract Number: | <u>21-51-070</u> | Division: | <u>OTBD</u> |
| Contractor's Name: | <u>Big Sky Economic Development Authority</u> | | |
| Contractor (Signee) Name: | <u>Steve Arveschoug</u> | | |
| Contractor's Email: | <u>SteveA@bigskyeda.org</u> | | |
| Contractor's Address: | <u>222 N. 32nd St. Suite 200</u> | Vendor Number: | <u>208927</u> |
| Contractor's Address 2: | <u>Billings, MT 59101</u> | | |
| Contractor Liaison: | <u>Lorene Hintz</u> | Begin Date: | <u>1/1/2021</u> |
| Contractor's Liaison Email: | <u>lorene@bigskyeda.org</u> | End Date: | <u>12/31/2021</u> |
| Duns Number: | <u></u> | Absolute End Date: | <u>12/31/2027</u> |
| (Federal Funds Required) | | Original Contract FY: | <u></u> |
| Current Term Amount: | <u>\$177,000.00</u> | Funding Source: | <u>Federal</u> |
| Total Contract Value: | <u>\$177,000.00</u> | | |
| Organization Number: | <u>534103 & 534105</u> | | |
| RFP Number (if applicable): | <u>N/A</u> | | |
| Program Number: | <u>51</u> | | |
| Contract Type: | <u>Standard</u> | | |
| (Standard, Sole Source, Exigency, Term Contract, Lease, MOU, PO, Grant) | | | |
| Contract Usage: | <u>Fixed</u> | | |
| (As Needed, Fixed, No Cost) | | | |

| | | | |
|------------------------|------------------------------------|---------------------------|-------------------------------------|
| Liaison: | <u>Lori Gilliland</u> | Program Manager: | <u>Chad Moore</u> |
| Liaison Email: | <u>lgilliland@mt.gov</u> | Bureau Chief: | <u>Wayne Johnston</u> |
| Liaison Phone: | <u>406-841-2716</u> | Additional Email: | <u></u> |
| Signatures: | | Carbon Copies: | |
| Division Administrator | <u>Jennifer Peley</u> 12/18/2020 | Liaison: | <input checked="" type="checkbox"/> |
| Fiscal Review | <u>Heidi Sampson</u> 12/21/2020 | Director (> \$200K): | <input type="checkbox"/> |
| Legal Counsel | <u>Jessica Blumberg</u> 12/21/2020 | Deputy Director (<\$25K): | <input type="checkbox"/> |
| Deputy Director | <u></u> | Perceptive | <input checked="" type="checkbox"/> |
| OBPP | <u></u> | | |

Certificate Of Completion

| | |
|---|---------------------------|
| Envelope Id: EAAA5367AECE4EC18FF247C0D7213B33 | Status: Sent |
| Subject: Montana Department of Commerce Contract #21-51-070 for Signature | |
| Source Envelope: | |
| Document Pages: 39 | Signatures: 3 |
| Certificate Pages: 5 | Initials: 0 |
| AutoNav: Enabled | Envelope Originator: |
| Envelopeld Stamping: Enabled | Contracts Admin |
| Time Zone: (UTC-07:00) Mountain Time (US & Canada) | PO Box 200501 |
| | 301 S. Park Ave |
| | Helena, MT 596200501 |
| | doccontracts@esign.mt.gov |
| | IP Address: 161.7.39.7 |

Record Tracking

| | | |
|-----------------------|---------------------------|--------------------|
| Status: Original | Holder: Contracts Admin | Location: DocuSign |
| 12/17/2020 9:51:26 AM | doccontracts@esign.mt.gov | |

Signer Events

| Signer Events | Signature | Timestamp |
|---|---|---|
| Jennifer Pelej jpelej@mt.gov Division Administrator Security Level: Email, Account Authentication (None) |  Signature Adoption: Pre-selected Style Using IP Address: 205.149.14.189 | Sent: 12/17/2020 9:58:15 AM Viewed: 12/18/2020 4:14:32 PM Signed: 12/18/2020 4:14:43 PM |

Electronic Record and Signature Disclosure:
Accepted: 12/18/2020 4:13:08 PM
ID: e7840a14-4e0b-4499-b7a7-64297250a7c9

| | | |
|---|---|---|
| Heidi Sampson hsampson@esign.mt.gov MT Dept of Commerce Security Level: Email, Account Authentication (None) |  Signature Adoption: Pre-selected Style Using IP Address: 161.7.39.7 | Sent: 12/18/2020 4:14:46 PM Viewed: 12/21/2020 8:23:18 AM Signed: 12/21/2020 8:23:21 AM |
|---|---|---|

Electronic Record and Signature Disclosure:
Accepted: 4/5/2016 4:30:45 PM
ID: afa40be6-2498-4bee-aeeb-4ff484d96ce4

| | | |
|---|---|---|
| Jessica Blumberg Jessica.Blumberg@mt.gov Security Level: Email, Account Authentication (None) |  Signature Adoption: Pre-selected Style Using IP Address: 161.7.39.7 | Sent: 12/21/2020 8:23:25 AM Viewed: 12/21/2020 9:25:54 AM Signed: 12/21/2020 9:26:12 AM |
|---|---|---|

Electronic Record and Signature Disclosure:
Accepted: 12/21/2020 9:25:54 AM
ID: 5ec982a1-6252-4311-bd22-9b956b9d272c

| | | |
|--|--|-----------------------------|
| Steve Arveschoug stevea@bigskyeda.org Security Level: Email, Account Authentication (None) | | Sent: 12/21/2020 9:26:15 AM |
|--|--|-----------------------------|

Electronic Record and Signature Disclosure:
Accepted: 6/30/2015 2:37:20 PM
ID: 5ad6fb63-ac02-4919-adc3-348586dfd2a1

| Signer Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

Adam Schafer
tara.rice@mt.gov
Security Level: Email, Account Authentication
(None)
Electronic Record and Signature Disclosure:
Accepted: 12/18/2020 2:03:01 PM
ID: 5d4145e8-fbbf-4e35-93cf-bb6ebb455da8

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
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| Editor Delivery Events | Status | Timestamp |
|------------------------|--------|-----------|
|------------------------|--------|-----------|

| Agent Delivery Events | Status | Timestamp |
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|-----------------------|--------|-----------|

| Intermediary Delivery Events | Status | Timestamp |
|------------------------------|--------|-----------|
|------------------------------|--------|-----------|

| Certified Delivery Events | Status | Timestamp |
|---------------------------|--------|-----------|
|---------------------------|--------|-----------|

| Carbon Copy Events | Status | Timestamp |
|--------------------|--------|-----------|
|--------------------|--------|-----------|

Lori Gilliland
lgilliland@mt.gov
Security Level: Email, Account Authentication
(None)
Electronic Record and Signature Disclosure:
Accepted: 8/9/2016 10:34:59 AM
ID: d667c680-2960-44ec-925f-74c39e355659

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Sent: 12/17/2020 9:58:15 AM
Viewed: 12/17/2020 9:59:32 AM

Lorene Hintz
lorene@bigskyeda.org
Security Level: Email, Account Authentication
(None)
Electronic Record and Signature Disclosure:
Accepted: 1/8/2020 7:18:22 PM
ID: 8e4e08e0-7ee5-4289-a6c5-b8927756530c

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Sent: 12/21/2020 9:26:15 AM
Viewed: 12/21/2020 10:54:46 AM

Cyndi Davis
CDavis3@mt.gov
Security Level: Email, Account Authentication
(None)
Electronic Record and Signature Disclosure:
Not Offered via DocuSign

| Witness Events | Signature | Timestamp |
|----------------|-----------|-----------|
|----------------|-----------|-----------|

| Notary Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

| Envelope Summary Events | Status | Timestamps |
|-------------------------|--------|------------|
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| Envelope Sent | Hashed/Encrypted | 12/17/2020 9:58:15 AM |
|---------------|------------------|-----------------------|

| Payment Events | Status | Timestamps |
|----------------|--------|------------|
|----------------|--------|------------|

| Electronic Record and Signature Disclosure |
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From time to time, MT Dept of Commerce (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact MT Dept of Commerce:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docontracts@mt.gov

To advise MT Dept of Commerce of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at docontracts@mt.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from MT Dept of Commerce

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to docontracts@mt.gov and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with MT Dept of Commerce

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to docontracts@mt.gov and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

| | |
|----------------------------|---|
| Operating Systems: | Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X |
| Browsers: | Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only) |
| PDF Reader: | Acrobat® or similar software may be required to view and print PDF files |
| Screen Resolution: | 800 x 600 minimum |
| Enabled Security Settings: | Allow per session cookies |

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify MT Dept of Commerce as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by MT Dept of Commerce during the course of my relationship with you.