

MAINE STATE LEGISLATURE

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January 27, 2014

The Honorable Justin L. Alfond
President
The Maine Senate
3 State House Station
Augusta, ME 04333-0003

The Honorable Mark W. Eves
Speaker of the House of Representatives
Maine House of Representatives
2 State House Station
Augusta, ME 04333-0002

Re: Quasi-Independent State Entities Reports to Legislature

Dear President Alfond and Speaker Eves:

In compliance with P. L. 2011, c. 616 and the requirements of 5 MRSA § 12023, the Small Enterprise Growth Board ("SEGB" or "Board"), the governing body of the Small Enterprise Growth Fund, now doing business as Maine Venture Fund ("MVF" or "Fund"), respectfully submits its Quasi-Independent State Entity Report for 2013, attached hereto.

The SEGB formally adopted its financial policies and procedures by Board vote on December 17, 2012, approved amended policy language on June 24, 2013, and implemented said policies and procedures, effective July 1, 2013, to ensure that all activities and expenditures of the Fund are limited to those necessary to accomplish the Fund's mission and to carry out the Fund's duties consistent with the authorizing law.

If you have any questions or need further information, we will be happy to honor your request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Goldberg".

Stephen Goldberg
Chair
Small Enterprise Growth Board

A handwritten signature in black ink, appearing to read "John F. Burns".

John F. Burns, CFA
Fund Manager
Maine Venture Fund
(d/b/a for Small Enterprise Growth Fund)

**QUASI-INDEPENDENT STATE ENTITY – SMALL ENTERPRISE GROWTH BOARD
REPORT TO LEGISLATURE
FOR 2013**

In compliance with P. L. 2011, c. 616 and the requirements of 5 MRSA § 12023 (2), the Small Enterprise Growth Board ("SEGB" or "Board"), the governing body of the Small Enterprise Growth Fund, now doing business as Maine Venture Fund ("MVF" or "Fund"), respectfully submits its Quasi-Independent State Entity Report for 2013 as follows:

A) A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to § 12022 (3), including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required.

*Baker, Newman, Noyes, Accountants & Advisors
280 Fore Street, Portland, ME 04101
Cost for Fiscal Year 2013: \$14,500*

BNN has performed the Fund's annual financial audit since 1996. The audit generally occurs from mid July to early August of the following fiscal year after the accounting firm submits the appropriate Communication Letter and Letter of Engagement to the SEGB. The Fund sent out a request for proposal (RFP) in 2007 to approximately six accounting firms, resulting in no change at that time due to lack of competitive accounting firm pricing. Another RFP will be conducted prior to engaging an auditor for the FY14 audit.

B) A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each.

The Fund made no contributions greater than \$1,000 to any person or organization.

C) A description of changes made in the preceding year to the written policies and procedures required by §12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

There were no changes in the procedures used by the SEGB to monitor compliance with the Fund's policies and procedures, but the following changes to the policy and procedure language, as submitted to the Legislature last January 2013 as per § 12023 (1), were presented and approved by unanimous vote of the SEGB on June 24, 2013, and are as follows:

- **Selection of Vendor Policy** - no changes
- **Contributions** - additional language was added, following the first sentence, to section entitled "Procedure for Accounting for Memberships, Contributions, Donations or Sponsorships" as follows:

For identification and reporting purposes, dues and subscriptions and programmatic sponsorships are budgeted and accounted for separately from other expenditures.

The Fund's Administrative Associate retains paper copies of invoices or related correspondence supporting memberships or contributions.

- **Travel, Meals and Entertainment** - *language was changed in section entitled "Travel Policies" to read as follows:*

2. Mileage reimbursement is based on actual miles traveled from employee's home office to business destination and return (see Maine Mileage Chart).

- **Lobbyists** - *minor language change adding acronym for Finance Authority of Maine (FAME) and replacing "its" with "FAME's", as follows:*

The SEGF historically has used and will continue to use, per annual contract with the Finance Authority of Maine (FAME), FAME's Governmental Affairs and Communications Manager as legislative liaison to assist, as requested, in developing annual legislative strategy and in tracking any pending legislation that may affect the Fund or the Board.