

MEMORANDUM OF UNDERSTANDING

BETWEEN

COLLEGE OF MICRONESIA-FSM AND COLLEGE OF MICRONESIA

SUBMITTED BY

COM-FSM BOARD OF REGENTS  
P.O. BOX 159  
PALIKIR, POHNPEI FM 96941

# MEMORANDUM OF UNDERSTANDING

## BETWEEN

### COLLEGE OF MICRONESIA AND COLLEGE OF MICRONESIA-FSM

#### Title I

##### PREAMBLE

Whereas, the College of Micronesia (COM), and the following national colleges: the College of Micronesia-FSM (COM-FSM); and the College of the Marshall Islands (CMI), have agreed to establish a "trust/partnership relationship" pursuant to the strategic planning meeting agreements made in Honolulu, Hawaii in June 1994; and,

Whereas, each national college is a constituent part of the COM with respect to the Land Grant Program pursuant to the Treaty; and,

Whereas, the objective of the trust/partnership relationship is to enable closer integration of the COM Land Grant Programs, namely, Cooperative Extension Services (CES), Agriculture Experiment Station (AES), and Residential Instruction (RI), to said national colleges; and,

Whereas, the trust/partnership concept was formulated with assistance of USDA officials and has been approved by the governing boards of COM, COM-FSM, and CMI; and, Whereas, it is understood that each national college may proceed in implementing the "trust/partnership relationship" concept at such a pace as may be appropriate to its particular needs and circumstances; now, therefore,

This Memorandum of Understanding (MOU) is entered into between the College of Micronesia (hereafter referred to as the "COM") and the College of Micronesia-FSM (hereafter referred to as COM-FSM), for the purpose of implementing the "trust/partnership relationship" and, more specifically, to: (1) establish an administrative procedure to integrate the Program into each college, and explain the relationship of each college's program to the College of Micronesia; (2) execute the provisions of the Treaty; (3) provide for an administration of the Land Grant Program consistent with the provisions of Title 7 of the United States Code.

#### Title II

##### ADMINISTRATION, ORGANIZATION, AND STRUCTURE

##### Section 1

## **Establishment of Cooperative Research and Extension**

COM-FSM shall establish and maintain a unit or department within its organizational structure called Cooperative Research and Extension (CRE). The purpose of CRE is to administer land-grant programs.

### **Section 2**

#### **Position of Vice President of Cooperative Research and Extension**

COM-FSM shall establish and maintain a position of the vice President of CRE. The Vice President shall also possess the following land-grant titles: Associate Director of AES, CES and RI.

The Vice President shall possess at the minimum a Master's Degree in a field of study to be determined by COM-FSM and which is appropriate to the work required of the Vice President.

COM-FSM shall recruit and hire, utilizing its personnel system, a qualified person to serve as the Vice President. The CES and AES Directors shall advise the President and give their consent in the selection of the Vice President.

The Vice President shall report to COM-FSM President and shall be a member of the President's cabinet. The Vice President must also be responsible to (report to) the Directors with respect to appropriate land-grant program and administrative matters.

### **Section 3**

#### **Salary of Vice President of CRE**

COM-FSM shall recommend to the Directors for final approval the salary of the Vice President. The VP's salary shall be consistent with the COM-FSM salary schedules, classification, and personnel rules and regulations. Funding for the Vice President's salary shall be provided from funds from AES, CES, and RI (endowment fund income) or other sources as COM-FSM may determine appropriate.

### **Section 4**

#### **Examples of Duties**

COM-FSM shall determine Vice President's duties which will include, but not limited to, the following:

- Administer all COM-FSM based CES, AES, and RI programs;
- Report to COM-FSM President regarding Land Grant Programs;
- Submit written report to Directors of AES, CES, and RI on a timely manner as required;
- Develop CES Plan of Work, AES Program of Research for FSM;

- Work closely with COM-FSM staff in the development and offering of residential instruction programs;
- Ensure compliance with all appropriate statutes, rules and regulations;
- Prepare the budget for all programs and submit it for approval
- Represent Land-Grant in appropriate meetings;
- Other duties as may be determined or provided later;
- Also reports to the Directors and receive guidance from them regarding all aspects of land-grant programs.

### Title III . BUDGET AND FINANCE

#### Section 1 Funding for Programs and Operations

Funding for Land Grant Programs as described in Title VI of this MOU shall come from the appropriations as approved by the US Congress and as authorized by US statutes such as:

- 1) Smith-Lever Act for CES
- 2) Hatch Act for AES
- 3) First Morrill Act for RI

COM-FSM's annual fund allocation from these sources shall be determined as a matter of policy by the COM Regents based on the level of the appropriations by the US Congress.

The Directors with assistance of the Vice President (Associate Director) shall be responsible for allocating and managing their respective budgets within those overall guidelines.

COM shall notify COM-FSM as to its annual allocation as soon as USDA notifies COM of COM's annual allocation.

#### Section 2 Budget and Budget Process

All AES, CES, and RI programs and projects shall have a budget showing detailed line items as to projected expenditures for personnel, travel, equipment, supplies, telephone, etc.

The annual budget for COM-FM's CRE shall be prepared by COM-FSM in accordance with program plans as determined by COM-FSM and consistent with the needs of the Federated States of Micronesia and applicable funding rules and regulations.

#### Section 3

## Approval of Budget

COM-FSM CRE's budget shall be approved in principle by COM-FSM Board of Trustees and concurred to by COM Board of Regents. The final authority with respect to the budget is the COM BOR.

### Section 4

#### Consolidation of a Unified Budget

COM-FSM's budget shall be consolidated with other colleges' budgets by COM Budget & Finance Officer utilizing a format consistent with applicable Principles of Fund Accounting, appropriate OMB "circulars" and other guidelines as required by audit standards.

### Section 5

#### Transfer of Funds

COM Central Office shall transfer fund to COM-FSM on a reimbursement basis for actual expenses already incurred by COM-FM.

COM-FSM shall determine the timing of its reimbursement request based on its cash flow needs. Reimbursement requests may be made on a monthly, bi-monthly, or quarterly basis.

### Section 6

#### Maintenance of Original Support Documents

Per recommendation of the external auditor, original copies of support documents (e.g. car rental receipt, Travel Authorization, Personnel Action, telephone bills, etc.) shall be submitted to and maintained at the COM Central Office for audit purposes. This procedure is recommended by the auditor.

### Section 7

#### Advancing of Funds

COM-FSM may request for an advance of funds if COM-FSM experiences a cash flow problem with respect to land grant program funding sources. Adjustments must be made as soon as practicable so as to settle the difference between the amount of fund advanced and the actual expenditures.

### Section 8. Petty Cash

COM-FSM shall determine whether it wishes to maintain a Petty Cash separate from the COM-FSM's fiscal office.

## Title IV PERSONNEL

### Section 1. Land Grant Staff as COM-FSM Employee

All Land Grant staff stationed within the Federated States of Micronesia, unless otherwise specified, shall be considered COM-FSM employees.

All COM-FSM personnel rules and regulations shall apply pertaining, for example, to recruitment, classification, initial placement on the salary schedule, performance evaluation, step increases, contract renewal, termination, annual leave, and others as may be determined by COM-FSM Board from time to time.

### Section 2 Present Employees and Employment Contracts

The execution of this MOU is not intended to affect any change in personnel nor be deemed an amendment to any present employment contracts for land-grant employees which are in effect in Pohnpei.

## Title V PROPERTY

### Section 1 Procurement of Property

All property which are purchased with Land Grant Program funds shall be purchased and maintained based on COM-FSM rules and regulations and consistent with USDA rules and regulations.

COM-FSM must tag all property and assign custodianship as to individual employee or staff as appropriate.

COM-FSM must develop and maintain an inventory list of all property purchased with Land Grant Program funds for audit purposes. Such property shall remain property of the Land Grant Program.

COM-FSM shall take necessary and appropriate steps to prevent Land Grant Program property from being abused or lost. Lost property shall be charged to the custodian of such lost property.

### Section 2 Allowable Use of Property

## Title IV PERSONNEL

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### Section 2 Allowable Use of Property

USDA rules and regulations regarding appropriate and allowable use of property shall be followed. Any property purchased for the sole of use by a program, whether AE, CES, or RI, shall be used for that program only.

### Section 3

#### Current Property

An inventory list of all Land Grant Program Property which is presently located in COM-FSM is attached herein as part of this MOU.

COM-FSM, henceforth, assumes custodianship and responsibility for all property in said inventory listing. Such property shall continue to be identified as Land Grant Program property.

### Title VI

#### PROGRAMS

### Section 1

#### CES Programs and Plan of Work

COM and the national colleges must develop a single unified Plan of Work and Research Agenda for Micronesia (Palau, FSM, Marshall Islands) which is based on: 1) the priority needs of each nation and as determined by each national college: 2) the best use of resources to respond to the priority needs of the three nations.

Each College shall be responsible and take the lead with respect to the plan of the nation it represents and serves. COM-FSM will be responsible for the FSM component of the Plan.

To develop this Plan of Work and Research Agenda, COM will hold an annual planning conference including: CES Director, AES Director, RI Director, Vice Presidents/Dean for land-grant programs of the national colleges and other staff based upon specific areas of responsibility.

The purpose of the planning conference is to efficiently involve all parties in developing a coordinated plan. The reason for coordinating the plan is to make the best use of limited resources. Since no one college can afford enough specialists to cover all issues, one staff person may take the lead for all colleges depending on the issues involved.

CES programs shall be based on an approved Plan of Work (POW). COM-FSM shall be responsible to regularly review and suggest updates to the Plan of Work for FSM consistent with the overall Micronesia-wide Plan.

### Section 2

#### CES Programs During Transition

COM-FSM shall review the current approved Plan of Work and, it so determines, may propose amendments to FSM POW. Such amendments shall be submitted to CES Director who shall review such proposed amendments prior to submitting them to USDA for approval.

### Section 3

#### CES Program Guidelines

CES Plan of Work should be consistent with programmatic and regulatory guidelines as provided by USDA.

### Section 4

#### Program Review by CES Director

CES Director shall be allowed to visit any and all CES program sites for the purpose of assisting COM-FSM in planning, implementing, and administering programs.

### Section 5

#### AES Projects and "Program of Research"

AES research objectives and programs shall be mutually developed and agreed upon at the annual planning conference. The research must be consistent with both the research priority needs of the Federated States of Micronesia and COM (see Title VI, sec. 1).

Research project proposals shall be developed by FSM (CRE) utilizing a write-up format as specified by USDA. Project proposals shall be submitted to USDA through the AES Director.

A principal investigator (PI) shall be identified for each project. Each research project shall have a budget consistent with its objectives.

Submission of research programs shall be consistent with USDA and COM guidelines and deadlines.

### Section 6

#### AES Researchers

COM-FSM shall recruit researchers who must possess a Master's degree or Ph.D. or other doctorate degree or equivalent from a US-accredited institution of higher learning.

COM-FSM shall establish with advise of the AES Director a criteria for evaluating the performance of a researcher. At the minimum, a researcher must publish the result of his or her research in professional publications. Research results must also be submitted to USDA through the AES Director.

Research results shall be shared with CES extension staff for the purpose of disseminating such information to the public.

COM-FSM shall hire a core researcher with qualifications and specialty consistent with priority needs of FSM. Additional researchers may be hired depending on the availability of funds.

It is expected that each researcher shall write project proposals in order to get additional funding for more research projects. Such research projects shall provide funding for research assistants, travel or other expenses as may be appropriate for the carrying out of the projects.

Salary of researchers may be determined by COM-FSM within the budget allocation as approved by COM BOR. If COM-FSM desires to provide for a higher salary than the allocation, COM-FSM may provide for the difference from its own funds.

## Section 7

### Residential Instruction Programs

COM-FSM shall establish two instructional programs which shall be considered "land-grant residential instruction programs". COM shall provide \$50,000 annually from the COM Endowment Fund income to support the two instructional programs.

Starting school year 1994-95, the two programs shall be: 1) Agriculture; and 2) Marine Science.

The two RI programs shall be developed utilizing the existing procedure and standard for establishing new programs. COM-FSM's review and approval process involving the Vice President of Education and Training, the curriculum committee, and others shall be utilized.

Copies of programs descriptions, evaluation, and others shall be provided to COM. The proxy COM Regent, who is also a member of the COM-FSM Board of Trustees, shall represent COM during the review process of said instructional programs.

## Title VII

### MISCELLANEOUS

#### Section 1

##### Indemnification

COM-FSM shall indemnify COM from any and all liability, loss, or damage COM may suffer as a result of any claims, demands, costs or judgments against COM arising from the acts of employees of COM-FSM.

## Section 2

### Role of CES Director and AES Director

Pursuant to a 1981 COM-USDA MOU, the CES Director is the designated official responsible for all aspect of the COM Cooperative Extension Services (CES) in Micronesia. A copy of said MOU between USDA and COM is attached herewith as part of this MOU between COM and COM-FSM.

Although there is no corresponding COM-USDA MOU regarding AES, the AES Director's responsibility, authority and accountability to USDA with respect to the Agricultural Experiment Station(s) programs and operation in Micronesia is similar to that of the CES Director's as noted above.

The Directors are expected by USDA to ensure that AES and CES programs in Micronesia are implemented consistent with Micronesia's priorities and USDA's rules and regulations. USDA expects the Directors to submit appropriate reports as required regarding land-grant programs.

## Section 3

### Relationship between CES and AES Directors and COM-FSM President.

The COM-FSM President provides an overall administrative oversight with respect to land-grant programs in Federated States of Micronesia.

The Directors advise the President regarding appropriate program and administrative subject matters. Additionally, the President recognizes and supports the Directors' line authority to the Vice President with respect to their specific programs.

## Section 4

### Relationship between CES and AES Directors and CRE VP (Associate Director)

The Vice President is the COM-FSM staff designated by the college board and president to provide day to day program and administrative oversight with respect to the FSM-based land-grant programs.

The relationship between AES Director and CES Director to the CRE Vice President is as described in appropriate provisions in this MOU including but not limited to: Title II, sec. 2,3,4; Title III, sec. 1; Title VI, sec. 1,4,5; and others. In short, the VP reports to COM-FSM President as well as to the Directors regarding Land-grant programs, finance, reports, regulations, compliance, and others.

## Title VIII

### Transition

## Section 1

### Technical Assistance by AES/CES/RI Directors and Staff

Director of AES, Director of CES, and Director of RI or designated staff shall be available to assist COM-FSM regards to any matter relating to the implementation of programs and in regards to the implementation of the trust partnership relationship.

## Section 2

### Allocation of AES matching fund

Beginning in FY'95 until further notice, the COM-FSM share of the AES matching fund will be the same as the other national colleges.

In keeping with the principle of one research program carried out through the three colleges, research activities of the AES Director/Researcher as may be needed in any of the three nations should be carried out and coordinated with the respective local college.

## Section 3

### Allocation of AES non-matching funds

Non-matching funds which presently comprise most of the AES operation funding for FY'95 shall be allocated by the BOR as part of the budget development process.

The allocation objective is to equitably distribute the AES funding to the three research stations located on each college as well as the Director's office.

## Section 4

### Allocation of CES matching funds

In FY'95, the CES matching funds is allocated based on projects which either have started or are expected to start in FY'95 and which have received firm matching commitments from local governments or other sources.

Beginning in FY'96, the allocation of the CES matching funds shall be as follows:

CMI.....	\$150,000
PCC.....	\$150,000
COM-FSM.....	\$150,000
For FCFS Projects.....	(to be known by Oct.)

## Section 5

### Allocation of CES non-matching funds

Non-matching funds which presently comprise most of the CES operation funding for FY'95 shall be allocated by the BOR as part of the FY'95 budget development process.

Budget for FY'95 being the transition budget shall be consolidated by the Director to ensure that none of the presently filled position shall be eliminated and that programs are not disrupted.

**Section 6**  
**Endowment Income Allocation**

The endowment income is allocated as follow:

	FY'94	FY'95	FY'96
a. RI program/admin.	150,000	150,000	150,000
b. CES as local match	100,000	75,000	75,000
c. AES as local match	0	25,000	25,000

**Section 7**  
**Allocation of other fund**

Other funds may be allocated as they become available.

**Section 8**  
**Competitive Grants from USDA**

COM Central Office shall research and provide a listing of all federal programs for AES, CES, and RI which may be available to Micronesian land-grant programs through competitive grant proposals.

Each partner is responsible to write its own grant proposal with assistance of AES and CES Directors.

**Title IX**  
**AMENDMENT**

This MOU may be amended at any time by agreement executed in writing by COM-FSM President and the COM Executive Director.

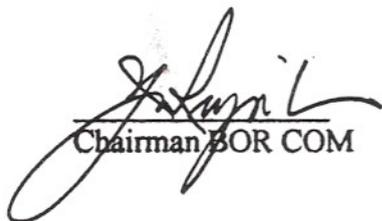
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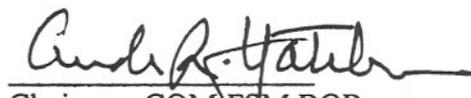
file: COMMISC6/COMPCC44.MOU  
(note: this is first draft to address USDA concerns)

We in witness hereon affix our signatures on this 11<sup>th</sup> of Dec. 1996.

  
Executive Director  
COM

  
President  
COM-FSM  
12/11/96

  
Chairman BOR COM

  
Chairman COM-FSM BOR