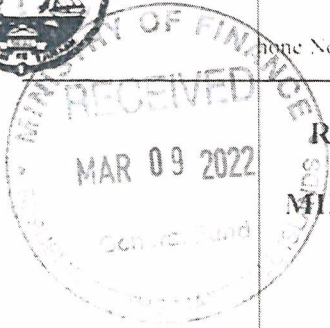


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REPUBLIC OF THE MARSHALL ISLANDS  
MINISTRY OF FINANCE, BANKING & POSTAL SERVICES  
P.O. Box D - Majuro - Marshall Islands - 96960

Phone No. (692) 625-7420 - Fax No. (692) 625-3607 - Email Address: finsec@rmimof.com



**RM I GOVERNMENT MEMORANDUM OF AGREEMENT**  
**Between**  
**MINISTRY OF FINANCE, BANKING AND POSTAL SERVICES**  
**And**  
**COLLEGE OF THE MARSHALL ISLANDS**

MI-22-025

THIS Memorandum of Agreement (MOA) is made and entered into this 1st day of October, 2021 by and between the Government of the Republic of the Marshall Islands ("GRMI") through the Ministry of Finance, Banking and Postal Services ("MOFBPS") whose address is P.O. Box D; Majuro, MH, 96960 and the College of the Marshall Islands ("CMI") whose address is P.O. Box 1258 Majuro, MH 96960.

**RECITALS**

WHEREAS, for the Fiscal Year 2022, the GRMI Nitijela has appropriated the total sum of **One Million Eight Hundred Thrity-Seven Thousand Two Hundred Twenty-Six Dollars 00/100 (\$1,837,226.00)** from General Fund of the Fiscal Year 2022 Act 2021 Public Law 2021-32 as appropriated for the following programs, of **CMI for the College of the Marshall Islands (\$1,547,531.00), for CMI Endowment Fund (\$82,770.00) and for CMI Distant Learning (\$206,925.000** and.

WHEREAS, the GRMI as primary grantee of the funds acknowledges its pass-through responsibilities with respect to the CMI, as subrecipient of the said funding; and

WHEREAS, the GRMI has designated the CMI to be accountable for all funds received, including those funds "passed-through" or sub-awarded to their subrecipients; and

WHEREAS, the CMI as subrecipient is familiar with the terms of and requirements of the grant award and desires to fulfill and facilitate MOFBPS's oversight activities with respect to the grant requirements.

WHEREAS, the CMI acknowledges its oversight responsibilities in ensuring that the allocated funds be used in accordance with this MOA.

NOW THEREFORE, the parties agree to the terms of this MOA as follows:

**Section 1. Purpose:** The primary purpose of this MOA is to avail and release the funding for CMI and to utilize the funding for the CMI and to assure the utilization of the allocated fund is in compliance with RMI laws, regulations and requirements governing the use of the fund, in particular with the Financial Management Act ("FMA") and the Procurement Code.

**Section 2. Objectives and Use of Funds:** The CMI undertakes to use the grant award for the purpose in which the grant was awarded for including specific program objectives. The CMI shall use the funds only for allowable costs specifically and directly related to the aforementioned objectives of the grant award including the execution of its daily operation..

**ENTERED**  
MAR 15 2022  
**MINISTRY OF FINANCE**

**Section 3. Term:** This Agreement shall be effective from October 1, 2021 to September 30, 2022 and

**Section 4. Payment:** Subsequent to full execution of this MOA, a quarterly disbursement of the funds shall be made upon written request for payment from the authorized representative of the CMI addressed to the Secretary of Finance for approval and disbursement. The required reports stipulated in Section 6 must accompany every payment request. Furthermore, all payments will be considered provisional and subject to grants receipt or other grants award requirements.

**Section 5. Financial Management System:** The CMI shall maintain an acceptable financial management system during the term of this Agreement, such that it will permit: (i) the preparation of reports by the GRMI as required by the FMA; (ii) the tracing of funds to a level of expenditure adequate to establish that such funds have been used in compliance with the provisions of the grant and applicable agreements. Such a system shall provide: (a) accurate, current and complete disclosure of the financial activity of the allocated funds; (b) separate accounts for the grant funds appropriated; (c) effective control over and accountability for all funds, property and other assets; (d) comparison of actual outlays with budgeted amount pertaining to the funds appropriated; (e) consistency with all financial administration, program monitoring, performance reporting and enforcement provisions of the FMA; and (f) accounting records supported by source documentation.

The CMI certifies, by signing this Agreement, that it can meet these financial management system requirements.

**Section 6. Required Reports:** The CMI shall provide the Secretary of Finance, within the deadlines noted herein, the following reports:

(1) As supporting report for the initial payment request: duly accomplished standard "Form SG1-Subgrant Objectives and Budget Proposal" establishing the specific outcomes, outputs, implementing actions and program performance quality indicators to be achieved through the use of the fund, accompanied by an expenditure budget breakdown. This report should be consistent with the objectives stated under Section 2 of this MOA.

(2) As supporting report for subsequent payment requests: duly accomplished standard "Form SG2 - Performance and Financial Evaluation" quarterly report showing actual results vis-à-vis the outcomes, outputs and indicators established including any issues encountered in achieving program objectives; state of personnel, operating and capital expense controls; audit results; and a budget versus actual expenditure analysis.

(3) Duly accomplished "Form SG2-Performance and Financial Evaluation" final report within 30 calendar days after the end of the MOA's term (e.g., for MOAs expiring on September 30, due date is on or before October 30; while for MOAs expiring on May 31, due date is on or before June 30; etc.).

If the organization is receiving subsidy or subgrant in the new fiscal year or new funding period, the prior year's or prior funding period's SG2 final report is required to be submitted together with the SG1 report, as discussed under number 1 above, before the initial payment can be released under the new subsidy or subgrant MOA.

(4) As necessary, additional reports or a different reporting frequency as maybe requested by written notice from the Secretary of Finance, and

**Section 7. Audit and Record Retention:** The CMI shall provide the Secretary of Finance or his/her duly authorized representative full access to records and financial statements to determine compliance with this MOA. This access shall encompass the right to examine and audit directly pertinent books, documents, papers, records of the CMI. Access shall be at a reasonable time with prior written notice. The shall indemnify the

Government of the RMI for any deficiency shown by the audit to be the result of improper expenditure of sums granted to the CMI under this Agreement.

Unless otherwise notified in writing, such books, documents, papers and records shall be retained by the CMI for a period of six (6) years following the date of submission of the final project report or activity report to the MOFBPS. If any litigation, claim, negotiation, audit or other action involving the said documents and records has commenced before the expiration of the six year period, the documents and records shall be retained until the completion of the activities and resolution of all issues which arise from it.

**Section 8. Procurement:** The Government of the RMI authorizes the CMI to use its own procedures for procurement provided they meet the RMI procurement standards in the Procurement Code.

**Section 9. Programmatic or Budget Changes:** The CMI shall notify the Government of the RMI whenever any of the following actions is anticipated: (a) revision of the scope or objectives of the project; (b) the need to extend the period of funding availability; (c) changes in key persons specifically named in the grant award; (d) the contracting out or otherwise obtaining the services of a third party to perform non-construction related activities that are central to the purposes of the grant award; (e) any revision that would result in the need for additional funding over and above the original award. Re-allocation of funds for purposes other than stated in the grant award shall not be permitted.

**Section 10. Non-compliance:** Whereas the CMI fails to comply with any term or condition of this MOA, the Secretary of Finance shall take one or more of the following actions: (a) withhold or disallow disbursement of funds for all or part of the activity or action not in compliance; (b) wholly or partly suspend or terminate the approved funding; and/or (c) take any legal course of action as appropriate.

**Section 11. Assurance of Compliance with Grant Agreements and Applicable RMI Laws:** The CMI assures the MOFBPS that it fully understands the requirements imposed by this MOA. In the implementation of all duties and activities associated with the expenditures of the fund, the CMI shall ensure compliance with all laws of the GRMI, more specifically the Financial Management Act (11 MIRC) and the Procurement Code (44 MIRC).

**Section 12. Liability and Indemnification:** The CMI hereby assumes all risk and loss, damage or injury to third parties arising from or related to the administration or implementation of the activities covered by this MOA. Each party agrees to indemnify and hold harmless to the other for any claims arising out of this MOA, except for such claims resulting from its negligence or willful misconduct.

**Section 13. Amendments:** This MOA may be amended at any time in writing by mutual consent of the parties.

**Section 14. Assignments and Subcontracts:** The parties agree that any assignment, subcontracting or transfer of this MOA shall be void without the written consent of the GRMI.

**Section 15. Severability:** If any provision of this MOA is found to be contrary to any of the laws of the RMI, the MOA shall remain in force to the remaining provisions thereof; provided that the absence of the provision found to be contrary to law does not materially affect the rights and obligations of the parties hereto.

**Section 16. Termination:** Unless terminated earlier by the Secretary of Finance under Section 10, this MOA shall remain in full force and effect until terminated by mutual consent, or until expiration of the term of this MOA stated herein; provided, however, such termination or expiration shall not affect or prejudice any rights or liabilities that have accrued to, or suffered by, any of the parties hereto.

**Section 17. Fund Lapse:** At the end of the term of this MOA, any monies received from Grant funds allocation which remains unexpended shall be carried over to the next fiscal year until either the grant expires or the funds are expended, whichever occurs first. A check for any unspent amount shall be written, payable to the Secretary

of Finance, within 30 calendar days after the end of the MOA's term (e.g., for MOAs expiring on September 30, the check is due on or before October 30; while for MOAs expiring on May 31, the check is due on or before June 30; etc.).

Any monies received from the General Fund which remains unexpended at the end of this MOA's term shall be reverted back to the General Fund. A check for the unspent amount shall be written, payable to the Secretary of Finance, on or before October 30.

Any unspent amount not returned to the MOFBPS by October 30 or within 30 calendar days after the end of the MOA's term, whichever is applicable, shall be deducted from the initial payment to the recipient organization under its new MOA for the new fiscal year, if there is any; or shall be recovered by deducting from a payment due to the recipient organization, upon written notice from the Secretary of Finance.

IN WITNESS THEREFORE, the parties have executed the Agreement on the date first written.

Republic of the Marshall Islands  
[Signature] 3-14-22  
Honorable Brenson S. Wase. Date  
Minister of Finance

College of the Marshall Islands  
[Signature] 3/8/22  
Honorable Kitlang Kabua Date  
Minister of Education, Sport and Training

Approved as to Legal Form:

DocuSigned by:  
[Signature] 3/3/2022  
G3FD234EAGAD4E1...  
Dr. Irene Taafaki Date  
President of CMI

[Signature] 3/4/22  
Mr. Bernard Adiyiwin Date  
Acting Attorney General

Certified as to Funds Availability:

[Signature] 3/11/22  
Patrick Langrine Date  
Secretary of Finance

**ENTERED**  
MAR 15 2022  
**MINISTRY OF FINANCE**  
ACCOUNTS PAYABLE

**RECEIVED**  
MAR 03 2022  
IN THE OFFICE OF THE  
ATTORNEY GENERAL  
MAJURO, MARSHALL ISLANDS

College of the Marshall Islands Acct. 2112-4510-000-201-GG2112 Amount \$1,547,531.00  
(\$12,380.00) Audit Fee  
\$1,535,151.00 NET [Signature]

CMI Endowment Fund Acct. 1210-4510-000-201-GG2116 Amount \$82,770.00  
(662.00) Audit Fee  
\$82,108.00 NET [Signature]

CMI Distant Learning Acct. 2210-4510-000-201- GG2012 Amount \$206,925.00  
(1,655.00) Audit Fee  
\$205,270.00 NET [Signature]

**RECEIVED**  
-MAR 09 2022  
MINISTRY OF FINANCE  
MARSHALL ISLANDS

NOTE: \$1,822,529.00  
[Signature] 3.10.22