

Memorandum of Understanding Between  
The Florida Atlantic University Board of Trustees

And

The Harbor Branch Oceanographic Institute Foundation Inc.

Harbor Branch Oceanographic Institute Foundation Inc. ("HBOIF"), a Florida not-for-profit corporation and a direct support organization of Florida Atlantic University, and the Florida Atlantic University Board of Trustees ("FAU") enter into this agreement, effective this 22<sup>ND</sup> day of JUNE 2012, for good and valuable consideration the adequacy of which is recognized by both Parties.

WHEREAS, the State of Florida by statute has designated four specialty license plates to be issued and the annual user fees to be distributed to the HBOIF; and

WHEREAS, each of the four specialty license plates (Protect Wild Dolphins, Protect Florida Whales, Save Our Seas, and Aquaculture) is designated by statute for use by the HBOIF in various ways relevant and specific to the subject matter of that license plate; and

WHEREAS, HBOIF has to account for the annual user fees consistent with each respective statute; to include, but not limited to, sub-recipient monitoring of the research and education being conducted with these funds; and

WHEREAS, FAU is a state university which, through its Harbor Branch Oceanographic Institute, carries on research and education in areas designated by the above specialty license plate; and

WHEREAS, HBOIF has entered into a Memorandum of Understanding dated August 14, 2009 with Florida Atlantic University Foundation (FAUF) for, among other things, administration of Specialty License Plate funds; and

WHEREAS, FAU has pre-award and post-award processes through its Division of Research that are capable of ensuring compliance with the above statutory requirements that the funds be granted for use as statutorily specified and be used in fact as statutorily specified; and

WHEREAS, FAU believes that Special License Plate funds can be administered more efficiently by its Division of Research and the HBOIF has no objection to such substitution; and

WHEREAS, the Parties agree that the HBOIF will transmit the annual specialty license plate fees given to it by the State of Florida to the FAU Division of Research for use by the Harbor Branch Oceanographic Institute in manners consistent with Florida Statute and this Memorandum of Understanding; and

WHEREAS, FAU agrees to accept these funds subject to its pre-award and post-award processes and the terms of this Memorandum of Understanding and agrees to account to the HBOIF to ensure that sub-recipient monitoring is carried out to ensure use of the funds consistent with statute; and

Now, therefore, the Parties agree and state as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The HBOIF will transmit the annual fees from the designated specialty license plates to the FAU Division of Research, which will set up a separate account for each license plate fund
3. FAU, through a proposal review committee at its Harbor Branch Oceanographic Institute, will follow a process for awarding research, educational or other projects to ensure that they are consistent with the state license plate statute (Exhibit A, attached and incorporated by this reference). HBOIF shall have the right to appoint a member to the proposal review committee. In addition, the FAU Division of Research will set up a pre-award file for each project, ensuring budget accuracy and research compliance, such as proper animal care and protection through the FAU Institutional Animal Care and Use Committee (IACUC), and boat, diving and laboratory safety.
4. The proposal review committee will use the form attached hereto as Exhibit B, attached and incorporated by this reference, which will require each applicant to state which license plate fund is being requested to be used and how the proposed project supports the purposes of that license plate fund.
5. Once a project is approved for funding, the project file will be forwarded to FAU Research Accounting for account oversight, including guidance on allowable costs on sponsored projects, management of consultant contracts and subcontracts, effort certification, cost sharing, program income, if any, and other research accounting compliance issues. Among other things, Research Accounting will carry out those functions stated in Exhibit C, attached and incorporated by this reference.
6. HBOIF will carry out its obligations to ensure proper sub-recipient monitoring by conducting activities set forth in Exhibit D, attached and incorporated by this reference.
7. FAU agrees to be responsive to HBOIF's requests for information concerning use of the specialty license plate funds in order to carry out the objectives set forth in Exhibit D. In the event HBOIF or FAU believe that sub-recipient monitoring is not being carried out or documented as required by statute or this agreement, HBOIF through its Executive Director will contact the FAU Vice President for Research and Graduate Studies to address and correct the concern identified.
8. Either party may, upon ninety (90) days prior written notice to the other, terminate this Memorandum of Understanding.

IN WITNESS WHEREOF, HBOIF and FAU, through their duly authorized officers, execute this Agreement this 22<sup>nd</sup> day of JUNE 2012.

FLORIDA ATLANTIC UNIVERSITY

By: Barry T. Rossen

Name: Barry T. Rossen

Title: Vice President for Research

Date: 7.9.12

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION INC.

By: J. Duke

Name: JOSEPH Z. DUKE

Title: CHAIRMAN, PRESIDENT

Date: 6/22/2012

APPROVED AS TO FORM AND LEGALITY  
General Counsel  
Florida Atlantic University  
9/5/12

## EXHIBIT A

### Process of Reviewing Proposals for Use of State Specialty License Plate Funds

1. Determine the amount of state license plate funds available in each targeted area; namely, how much is available for Protect Wild Dolphins, for Protect Florida Whales, for Save Our Seas, and for Aquaculture.
2. Principal Investigators and Program Managers will submit proposals to the FAU Associate Executive Director of Research at Harbor Branch. Submitted proposals will comply with the FAU Division of Research sponsored research criteria and form requirements, including such matters as budget justification, IACUC compliance, safety, diving compliance, Principal Investigator eligibility, and subcontract or sub-grant requirements.
3. After initial review for compliance with required form and matching of project with specialty license plate fund, the Associate Executive Director of Research at Harbor Branch will forward the proposals to the review committee. The review committee will evaluate each proposal, determine whether it matches the proper specialty license plate fund and will make recommendations to the FAU Executive Director of Harbor Branch. The Executive Director of Harbor Branch will review each proposal and the committee's recommendation, will ensure that the proposal matches to the requested specialty license plate fund and will make the final funding decision for each proposal.
4. The Executive Director of Harbor Branch will inform the Principal Investigators or Project Managers of her decision, as well as the FAU Division of Research. Progress reports from the Principal Investigator or Project Manager will be required every six months and a final project completion report and will be forwarded to the HBOIF.
5. For those proposals which are funded, the FAU Division of Research will establish an index number and project set up will be completed. At that point, pre-award will forward the documents to Research Accounting.
6. At the beginning of the program planning year (generally July/August) HBOI management will discuss with the HBOIF representative on the proposal review committee how much money will be available during the coming year and the general allocation between core program (non-competitive allocations) and competitive grants. HBOIF representative(s) will be a member of the review panel for any competitive grants (generally September). HBOI management will discuss with the HBOIF representative the proposed allocation of funds from the results of the competitive grants review and the core program proposals (October). The HBOIF Grants committee and the Board will be updated on progress during their respective meetings. HBOIF will be provided with a complete list of grants and proposed funding levels as soon as the funding decisions are complete. HBOIF will be provided a financial report for the SLP as soon after the end of the fiscal year as it is completed.

## EXHIBIT B

### FORMAT FOR THE COMPETITIVE FLORIDA SPECIALTY LICENSE PLATE (SLP) PROPOSAL PROCESS (BASE ON FY 2012 RFP) – subject to modifications

Submit no more than five pages, independent of cover page, budget worksheet, and CV(s). Use the Palatino Linotype 12-point font with one-inch page margins, except for budget worksheet and CV(s).

- 1. Cover page**
  - a. Project title
  - b. Principal investigator, co-PI(s)
  - c. Project period
  - d. Amount of request
  - e. State License Plate (“SLP”) source of funds
  - f. Which SLP supports this research: PWD, PFW, SOS, AQUA (circle the fund you are requesting)
- 2. Project Summary** - Up to 200 words, including how this project furthers the area from which you are requesting funding; i.e., how does your project further protection of wild dolphins, or Florida whales, or save our seas or aquaculture.
- 3. Rationale** – To the extent possible, discuss:
  - a. Previous SLP funding you have received for research in this area and associated outcomes
  - b. Your other research in this area and associated impacts
  - c. How the proposed SLP funded work will leverage or lead to other competitive funding, and the funding outlook for work of this type
  - d. The extent to which the funding would serve to sustain, enhance, and/or advance your current research program
  - e. How the proposed work addresses challenges facing Florida and advances the pursuit of solutions in the subject area of your proposal
  - f. Collaborative opportunities realized or enabled by this work
- 4. Methods and Objectives** – State objectives and metrics for success clearly

- 5. Deliverables and broader impact**
- 6. Data Management Plan**
- 7. Timeline**
- 8. Budget justification**
- 9. Budget workshop** – Use FAU budget worksheet
- 10. CV(s)** – No CV should exceed three pages and should be at least 10-point font.
- 11. Project reports** - are required every six months and upon project completion.

## EXHIBIT C

### Procedures for Research Accounting- State Specialty License Plate Funds

1. HBOIF will identify state specialty license plate funds transferred to the FAU Division of Research by source (Protect Wild Dolphins, Protect Florida Whales, Save Our Seas, and Aquaculture). FAU will deposit the funds to the designated license plate fund account and shall give each account its own account number.

2. Upon funding, each proposal will be identified with a specific sub-account by Research Accounting for that project. All expenditures for that project will be accounted for by Research Accounting to ensure proper use and documentation of the funds.

3. It is anticipated that HBOIF will audit the revenues and expenditures in order to conform to the requirements of its independent auditors. Therefore, upon request, FAU will make available to HBOIF the Research Accounting records to confirm receipt of revenues, proper expenditure, and documentation of revenue and expenditures of these funds.

4. FAU will maintain its books, records and documents, including electronic storage media for state license plate funds, to demonstrate sub-recipient monitoring in accordance with Generally Accepted Accounting Principles so as to properly document that all revenues and expenditures of state license plate funds have been received and expended in accordance with the statutory requirements for that state license plate fund.

5. As part of its duties, Research Accounting also ensures time and effort reporting on projects administered by the Division of Research. Appropriate time and effort reporting will be required of all projects sponsored by the state license plate funds.

## EXHIBIT D

### HBOI FOUNDATION INTERNAL SPECIALTY LICENSE PLATE SUB-RECIPIENT MONITORING PROCEDURE

1. HBOI Foundation's Director of Operations requests from FAU Research Accounting a report from FAU's Banner system called a FRGOTA report. The request will be made on a quarterly basis, beginning on October 1, 2011 for the prior quarter's expenses. The FRGOTA report request will be monthly reports, as the FRGOTA cannot be run on a quarterly basis.
2. Research Accounting will supply HBOIF with a "legend" for FRGOTA reports in order for HBOIF to cross reference which index is being reported. (Rather than just 4 accounts for 4 plates to monitor, there are more than 30 index numbers that are funded by the SLPs; i.e., more than one project is funded by each of the license plates).
3. HBOIF will then choose at random, expenses from the report to review. The number of expenses and/or the amount of expenses per license plate will be determined by the HBOIF auditors.
  - a. Research Accounting will provide copies of properly authorized documentation as well as backup receipts that should correspond with each expense reimbursed.
  - b. It is intended that FAU will provide to HBOIF access to the appropriate FAU shared electronic records in order for HBOIF to access directly electronic copies of the requested documents.
4. HBOIF will then make copies of the reports and complete a chart which includes the following information: CHECK DATE, TRANSACTION TYPE, DOCUMENT NUMBER, VENDOR, EXPENSE ACCOUNT, PLATE, ACCOUNT DESCRIPTION, and AMOUNT.

The chart provides the following assurances:

- Agreed purchase order, requisition or check request to invoice and noted they were properly authorized
- Agreed vendor invoice to check stub detail
- Costs and activity are allowable under the compliance supplement
- Traced invoice amount to the GL, noting amount, account code fund and description were proper. Verifies expense is properly included in SLP expense amounts.



5. Once the required number/amount has been reviewed and the chart complete, the Executive Director of HBOIF will sign. A binder of SLP monitoring reports will be kept at HBOIF.
6. Some employees of FAU are paid out of the SLP accounts. HBOIF will review the names of individuals who are paid out of a particular index account. If it is a person who is not an obvious member of a research team, the review will continue until its logical conclusion. Payroll hours are submitted for approval of hours, therefore, there should be no issues. For purposes of this exercise, the question is "should this person be paid from this index?" rather than "how much time has this person spent on a particular project?"
7. There is a procedure at FAU which requires a Principal Investigator to write a proposal in order to be granted funds from the Specialty License Plate fund accounts. FAU shall provide to HBOIF electronic copies of all RFPs, proposals, recommendations, awards, and progress and completion reports. It is understood that, on some occasions, SLP funds will be used as matching funds for a grant from a third party to a FAU researcher, the subject of which is a purpose permitted by statute. These funds and programs shall be accounted for and reported in the same manner as other projects to which SLP funds are awarded.

At the end of the grant period, the full report of how the funds were spent should correspond to the amounts consumed during the process and monitored during the period.

8. If discrepancies or questions of validity of expenses submitted for payment arise during this process, the HBOIF's Director of Operations will make note of the discrepancy and take the issue to the Executive Director of HBOIF who is then able to make a formal inquiry with FAU. If need be, the issue will then be presented to the Audit Committee of the HBOIF Board of Directors.

First Amendment to  
Memorandum of Understanding Between  
The Florida Atlantic University Board of Trustees

And

The Harbor Branch Oceanographic Institute Foundation Inc.

Harbor Branch Oceanographic Institute Foundation Inc. ("HBOIF"), a Florida not-for-profit corporation and a direct support organization of Florida Atlantic University, and the Florida Atlantic University Board of Trustees ("FAU") entered into a Memorandum of Agreement, effective 22<sup>nd</sup> day of June, 2012, for good and valuable consideration the adequacy of which is recognized by both Parties.

WHEREAS, both Parties to the Agreement wish to amend the MOU to reflect matters further agreed upon; and

WHEREAS, the Parties have agreed that the HBOIF will transmit the annual specialty license plate fees given to it by the State of Florida to the FAU Division of Research for use by the Harbor Branch Oceanographic Institute in manners consistent with Florida Statute and this Memorandum of Understanding; and

WHEREAS, the Parties have agreed to an indirect cost rate for the services provided by the FAU Division of Research.

Now, therefore, the Parties agree and state as follows:

1. The above recitals are true and correct and are incorporated herein by this reference.
2. The Parties agree to add a Paragraph 9 to the MOU, which shall be as follows:
  9. The FAU Division of Research will charge an administration fee of 2.5% for all Specialty License Plate funds received by it from HBOIF and derived from Specialty License Plate sales on October 1, 2012 and thereafter. Specialty License Plate Funds transmitted to the FAU Division of Research shall be net of administrative, promotion, marketing costs incurred by HBOIF and further net of distributions to others as required by the applicable Florida Statutes.
3. Other than the above addition of a paragraph 9, the MOU remains the same in all other respects.

IN WITNESS WHEREOF, HBOIF and FAU, through their duly authorized officers, execute this Agreement this \_\_\_\_ day of \_\_\_\_\_, 2012.

FLORIDA ATLANTIC UNIVERSITY

By: Barry T. Rosson

Title: Vice President for Research

Name: Barry T. Rosson

Date: November 30, 2012


HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION INC.

By: J. Duke

Title: PRESIDENT

Name: JOSEPH Z. DUKE

Date: 12/11/2012

 APPROVED AS TO FORM  
AND LEGALITY  
General Counsel  
Florida Atlantic University