

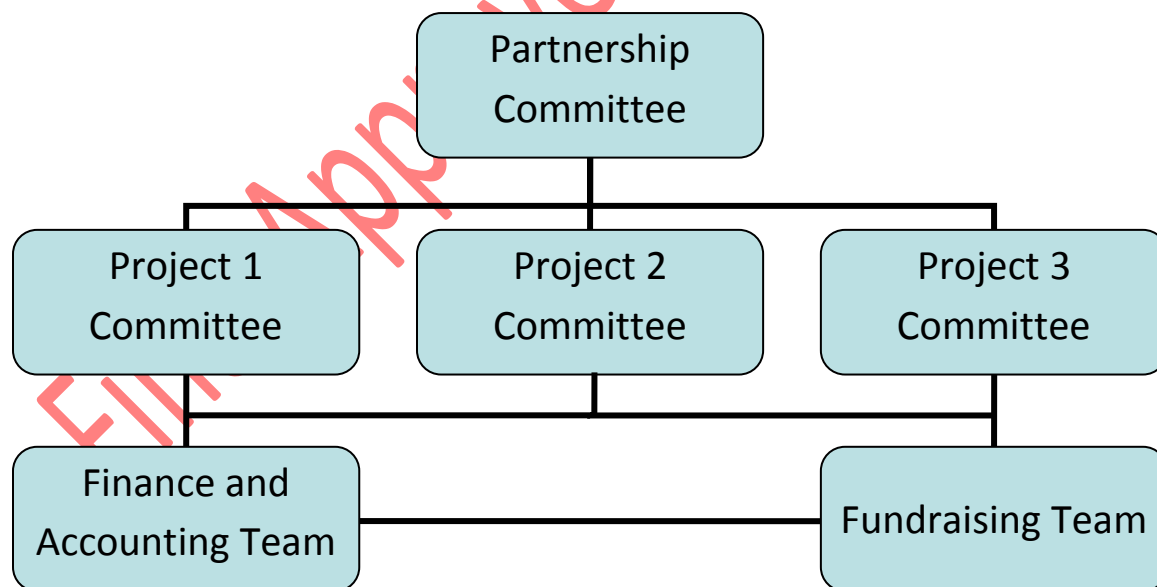
MEMORANDUM OF UNDERSTANDING FOR POLICIES AND PROCEDURES FOR THE MANAGEMENT OF ALL PROJECTS IN THE EPISCOPAL CHURCH OF HAITI FUNDED IN CONJUNCTION WITH THE EPISCOPAL CHURCH
September 2016

This revised Memorandum of Understanding updates, expands and supersedes the Policies and Procedures agreed in June 2011 between the Standing Committee of the Episcopal Church of Haiti (DOH) and the Executive Council of the Episcopal Church (TEC), collectively “Partners”. The DOH Chief of Operations referenced in this revised MOU, is an employee of TEC, seconded to the DOH but reporting to the TEC Presiding Bishop or his/her designee.

This revision introduces four additional concepts:

1. A Partnership Committee of eight members (four appointed by each Partner) shall serve for a three-year period to identify and agree what projects the Partners shall do together. The Partnership Committee shall establish its norms and procedures.
2. Individual Project Committees (size determined by the Partnership Committee and appointed by each Partner) that shall arrange contracts, scope, budgets, hire professionals, confirm progress and authorize payments.
3. An Accounts Payable team and Accounting team (directed by TEC Treasurer’s Office, supported in the DOH by the Chief of Operations).
4. Fundraising team coordinated by TEC Development Office (supported by and in coordination with the Chief of Operations of DOH).

The revision, to be developed jointly by the Partners, shall clarify committee oversight; Chief of Operations oversight; and implementation of the Memorandum, including processes for payment requisitions and communications.





POLICIES AND PROCEDURES FOR THE MANAGEMENT OF ALL PROJECTS IN THE EPISCOPAL CHURCH OF HAITI FUNDED IN CONJUNCTION WITH THE EPISCOPAL CHURCH

September 2016

Applicability

This Memorandum of Understanding updates, expands and supersedes the Policies and Procedures agreed in June 2011 between the Standing Committee of the Episcopal Church of Haiti (DOH) and the Executive Council of the The Episcopal Church (TEC), collectively “Partners”.

These policies and procedures shall apply to all projects agreed to by the Partners or funded through transfers from the Episcopal Church. The Office of the Treasurer of DFMS shall be responsible for the interpretation, administration and implementation of these policies and procedures.

Committee Oversight

1. There shall be a Partnership Committee of eight members (four appointed by each Partner) to identify and agree what projects the Partners shall undertake together. The Partnership Committee will establish its own norms and procedures
2. The Partnership Committee shall establish individual Project Committees containing representatives appointed by both the Partners.
3. Project Committees (size determined by the Partnership Committee and appointed by each Partner) shall arrange contracts, scope, budgets, hire professionals, confirm progress through contractors and/or owner’s representatives and authorize payments in accordance with the owner/contractor agreements.
4. The Partnership Committee shall establish fundraising teams associated with each project. Each fundraising team shall conduct a campaign to fund its assigned project. Each campaign shall be directed and managed by the TEC Development Office, supported by and in coordination with the Chief of Operations of DOH.
5. The Partnership Committee shall receive written project status reports no less frequently than each quarter.

Chief of Operations Oversight

The Chief of Operations is an employee of TEC, accountable to the Presiding Bishop or his/her designee, and is explicitly expected to assist the DOH in fulfilling its obligations with respect to this *Memorandum of Understanding*.

Implementation of this Memorandum

A. For each Project, the Office of the Treasurer, in consultation and in conjunction with the Chief of Operations of the DOH, who is an employee of TEC, under the direction of each Project Committee, shall ensure that the following tasks are completed and processes are in place:

1. Establish target dates for completion of the construction project
2. Prepare a detailed "scope of the project" including the identification and purpose of all proposed spaces within any proposed building
3. Identify the specific roles and responsibilities of all parties and individuals connected with the project including diocesan officials and all professional consultants and vendors
 - Appointment of a team to oversee the project to include legal counsel and all appropriate professionals including the Director of Development whenever projects require fundraising and/or campaigns.
4. Develop a project budget including all related financing and funding costs. .
5. Identify all necessary purchases or other items to be provided by the DOH
6. Confirm the availability of funding and establishment of appropriate accounting mechanisms with the Accounting and Fundraising Teams.
7. Establish communications protocols between the Partners, including frequency, distribution channels for reports and minutes
8. Document (minutes) of all meetings of the project team
9. For projects that require such services, hiring of a Project Manager.
 - Monitoring all professional services to meet project criteria with assistance of Project Manager, if any
10. Track and document all phases of the project
11. Interface as requested/required with local authorities and community leaders (e.g., neighborhood leaders who may have reason to support or criticize a project).
12. Monitor government agency reviews for departmental approvals and permits including, but not limited to soil reviews and site geotechnical surveys
13. Assist in the selection of a contractor
14. When a contractor is retained for a project
 - a. Confirm appropriate scheduling is required of and provided by the contractor
 - b. Identify phased construction schedules if necessary and appropriate
 - c. Negotiate final terms with the contractor
15. Establishing bidding protocols

Additional tasks and processes may be added for each specific project.

B. Each project shall include the following standard requirements:

1. Bidding criteria for all major projects prior to construction phase and specific contract terms
 - a. Costs incurred by Contractors in the bidding process are not reimbursable
 - b. All pre-contract costs are incurred at the risk of the contractor/firm unless they are determined to be necessary for the effectiveness and efficiency of the project. They may be reimbursed at the discretion of the DOH in

consultation with TEC

2. Budget estimate for every project
3. Rational justification for selection of firms or contractors
4. A standard contract shall be developed for use by the DOH, approved by the DFMS. Signed contracts between the DOH and all vendors, contractors, consultants and other professionals with copies sent to TEC. All contractors will be required to provide proof of insurance (if applicable locally) before gaining access to work sites
5. Appropriate procurement procedures
6. Financial reporting: accurate, current, and complete financial information about the project
7. Accounting records: maintenance of proper records such as outlays or expenditures,
Including cancelled checks, paid bills, payrolls, and time and attendance records
8. Internal controls: effective controls over and accountability for all cash; safeguard of all assets and verification that they are used only for their respective projects.
9. Budget monitoring: comparison of actual expenditures with the approved budget (or job estimate) for the project on a regular basis
10. Allowable costs: expenditures must be reasonable and identified in the approved budget
11. Cash management: Payment of vendors within five business days after funds are transferred to DOH by TEC
 - a. All requests for vendor payments must be submitted on a timely basis and will only be processed if there is a written contract in place and there is appropriate accounting for all prior disbursements
12. Compliance with applicable rules, laws and regulations.

Additional tasks and processes may be added for each specific project.

C. If the project includes a construction phase, the Chief of Operations along with the Project Committee, in consultation and in conjunction with the Office of the Treasurer, shall ensure that the following basic tasks are completed and processes are in place:

1. Monitoring ongoing construction through site visits
2. Monitoring critical path schedule, if appropriate for the project
3. Chairing regular, timely meetings as the needs of the project may require
4. Monitoring preparation, distribution/submission of all construction documents
Maintaining receipt of mechanic's lien waivers at times of payment
5. Mediating disagreements (if any) between the Design Team and the Construction Manager
6. Maintaining and tracking both Project Budget and Construction Budget
7. Confirming that manuals and other as-built documents are provided
8. Monitoring the approvals of all agencies and other public authorities
9. Creating, monitoring and ensuring satisfactory completion of punch-list
10. Reviewing and approving all change orders
11. Preparing final report of the project.

Additional tasks and processes may be added for each specific project.

D. Each project shall have the following reporting requirements:

1. Progress reports that compare actual to planned performance and indicate the progress made against the timeline. Frequency of reports will vary depending on the project but shall be no less frequent than quarterly depending on the phase of the project or on an as needed basis. Reports shall be provided to the Partnership Committee; relevant Project Committee; the Accounting Team; and the Fundraising Team.
2. If an American Institute of Architects form agreement is not used to retain the architect, then all plans, schematics, drawings, etc. shall belong to the DOH and are to be turned over to the DOH upon completion of the project.
3. Each Project Committee shall determine who is responsible for coordinating and providing written progress reports and the frequency thereof.

Payment Requisition Process

Before a project begins, the DOH Chief of Operations shall submit to the Office of the Treasurer: (1) the estimated budget for the project with labor and material costs clearly identified; (2) the timeline, and (3) copies of all contracts detailing the scope of the work (as those contracts are finalized).

- A. Both the Project Committee and the Office of the Treasurer must approve extraordinary changes, such as the following situations:
1. Change in the scope or objective of the project (even if budget or estimate is not impacted)
 2. Change in contractor specified in the original contract
 3. The contractual need for additional funds as a consequence of owner-caused delay
 4. Significant change orders in excess of ten percent (10%) of the original project cost or \$50,000, whichever is less
 5. A simultaneous decrease in equipment/material costs with increase in labor costs (or vice versa).
- B. Advance payments in order to begin the project will only be made if an Advance does not exceed ten percent (10%) of the original project cost or \$50,000, whichever is less, unless waived by both the Partners.
- C. Payments will not be withheld unless the contractor fails to comply with the project plan, fails to execute the work as delineated in the contract, causes a delay in project completion, or otherwise does not comply with other terms and conditions in the contract.
- D. Other Payment Procedures:
1. The Partnership Committee shall establish separate banking accounts for each project separate from the primary diocesan account.

plan, fails to execute the work as delineated in the contract, causes a delay in project completion, or otherwise does not comply with other terms and conditions in the contract.

D. Other Payment Procedures:

1. The ~~Covenant~~^{Partnership} Committee shall establish separate banking accounts for each project separate from the primary diocesan account.
2. If requested by the DOH, payments via check or wires may be made directly to a third party (a contractor or firm in US Dollars)
3. Final payment will be made upon submission of all invoices, review of the work or Punch-list and satisfaction of the Project Committee.
4. Payment requisitions must be accompanied by invoices, receipts and time cards
5. Invoices or bills should include vendor or contractor's name, address and telephone number in addition to description of purchase or services
6. For labor costs, time card must show names of workers, work performed, hours and date of labor, etc.

Communications

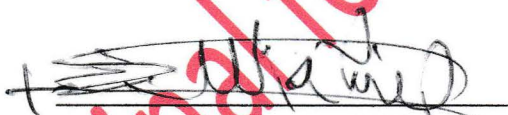
Communications channels shall be established by each Project Committee. Each Project Committee shall make annual written report to the Standing Committee of DOH and to the Executive Council of TEC.

Final Agreement


This Memorandum of Understanding and any subsequent Amendment shall be effective upon execution by authorized representatives of the Partners and approval by the Standing Committee of DOH and the Executive Council of TEC.

AGREED:

For the Standing Committee of the
Episcopal Church of Haiti


The Rt. Rev. Jean Zaché Duracin

For the Executive Council of the Episcopal
Church


The Most Rev. Michael B. Curry