

MAINE STATE LEGISLATURE

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MAINE MARITIME ACADEMY

CASTINE, MAINE 04420

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OFFICE OF THE PRESIDENT

January 21, 2013

The Honorable Justin Alford
President of the Maine Senate
The Honorable Mark Eves
Speaker of the Maine House of Representatives
c/o Executive Director of the Legislative Council
115 State House Station
Augusta, Maine 04333-0115

RE: 5 M.R.S.A. §12023

Dear Mr. President and Mr. Speaker:

I am writing on behalf of the Board of Trustees of the Maine Maritime Academy to report on the Academy's adoption and implementation of written policies and procedures required by 5 *M.R.S.A. §12023*, and to describe the measures our Board will use to monitor compliance with those policies and procedures.

At its meeting on November 9, 2012, the Trustees approved the new and amended policies and procedures required by the new law. The Academy has now implemented these policies and procedures, and the Trustees will oversee the implementation by approving and periodically reviewing budgets, periodically receiving updates from the Academy President, and using our annual auditors. I have enclosed a copy of the Board's resolution attendant to this matter.

Please feel free to let me know if you have any questions.

Thank you,



Dr. William J. Brennan
President

Enc.

MAINE MARITIME ACADEMY

**BOARD OF TRUSTEES
RESOLUTION**

The Board of Trustees hereby recognizes the Academy's responsibilities under *An Act To Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-independent State Entities* ("Act"). Accordingly, the Board hereby RESOLVES the following.

I. PRACTICES

The Academy shall:

- A. Ensure that all Academy activities and expenditures are limited to those necessary to accomplish the Academy's mission and to carry out the Academy's duties consistent with the Academy's authorizing laws;
- B. Ensure that the Academy Board, management and staff comply with Academy's financial policies and procedures; and
- C. Not retain as a lobbyist who is required to register under state law any person other than an Academy employee.

II. POLICIES AND PROCEDURES

The Academy shall have written policies and procedures governing the:

- A. Selection of vendors that ensure the best value in procurements. To the extent consistent with the Academy's authorizing laws, such policies and procedures shall:
 1. Establish competitive procurement as the standard procurement method;
 2. Specify the conditions under which competitive procurement may be waived; and
 3. For procurements exceeding \$10,000 that were not competitively procured, maintain for five years the written justification and evidence of approvals for such waivers.

- B. Payment of Academy resources for membership dues and fees, gifts, donations and sponsorships (collectively “contributions”). To the extent consistent with the Academy’s authorizing laws, such policies and procedures shall:
 - 1. Establish criteria to ensure that contributions are directly related to the Academy’s mission and activities;
 - 2. Require that contributions be budgeted and accounted for separately from other Academy expenditures;
 - 3. Require documentation to support each contribution; and
 - 4. Require the Board to approve the annual budget for, and to receive periodic reports on, the Academy’s contributions.

- C. Use of Academy resources to pay costs of travel, meals and entertainment. To the extent consistent with the Academy’s authorizing laws, such policies and procedures shall:
 - 1. Limit travel, meal and entertainment costs to those reasonable and necessary to accomplishing the Academy’s mission and activities;
 - 2. Identify the positions for which the Academy will pay travel, meal and entertainment costs, and specify the conditions under which those costs will be paid either directly or through reimbursement;
 - 3. Establish the requirements for supporting documentation and approval of travel, meal and entertainment costs;
 - 4. Require that travel, meal and entertainment costs be budgeted and accounted for separately from other Academy expenditures; and
 - 5. Require the Board to approve the annual budget for travel, meal and entertainment costs, and to receive periodic reports on actual costs paid.

III. REPORTS

The Academy shall report in a timely manner to the Legislature on the adoption and implementation status of the above policies and procedures, and on the measures the Board will use to monitor compliance with those policies and procedures. The Academy shall thereafter annually report to the Legislature:

- A. Each procurement exceeding \$10,000 for which competitive procurement was waived, including the names of the vendors and costs associated with those procurements;

- B. Each person to which the Academy made contributions greater than \$1,000 and the total amount contributed to thereto; and
- C. A description of any changes in the above policies and procedures, or to any Board process used to monitor compliance with those policies and procedures.

The Academy president shall promptly effect this Resolution by seeking counsel, performing the above tasks, and reporting to the Board at its next meeting all such progress.

DATE ADOPTED: November 9, 2012