

## **CONSORTIUM AGREEMENT**

### **JAPAN CENTER FOR MICHIGAN UNIVERSITIES**

*Approved by the JCMU Executive Committee on 13 May 2024*

This Consortium Agreement (hereafter, the “Agreement”) establishes the framework for cooperation among the 15 State-supported universities in Michigan (hereafter, the “Member Institutions”) in the consortium (hereafter, the “Consortium”) whose purpose is the development and operation of the Japan Center for Michigan Universities (hereafter, “JCMU”). This Agreement supersedes and replaces the Memorandum of Agreement adopted by the Member Institutions and ratified by the JCMU Executive Committee on 3 October 2014.

Participation in the Consortium is voluntary. The terms of this Agreement shall establish the responsibilities of the Member Institutions with respect to the operation of the Consortium. The obligations of the Member Institutions to JCMU, or to one another regarding JCMU, are set forth herein. Obligations may also be delineated in any separate agreement by which a Member Institution may undertake to support JCMU.

For the purposes of this Agreement, JCMU will consist of six major elements:

- I. Academic courses for university credit in Japanese area studies, Japanese language, and other academic fields related to Japan, for students from the Member Institutions, as well as for students recruited from other institutions of higher education in the United States and internationally. These courses may be offered in JCMU’s physical location in Hikone, Shiga Prefecture, Japan, or via virtual or distance learning options delivered by JCMU’s faculty online.
- II. English language educational opportunities and American culture programs for students within Japan.
- III. Teaching English as a Second Language (TESOL) courses/programs for American and international students within Japan.
- IV. Workshops, seminars and short courses for American and Japanese professionals from diverse fields.
- V. Programs/initiatives for research facilitation for visiting faculty, graduate students, postdoctoral candidates, and other scholars from the Member Institutions, or from other institutions of higher education in the United States and internationally.
- VI. The physical living/learning site in Hikone, Shiga Prefecture, Japan, from which invited individuals may engage in research activities or professional development in support of JCMU’s students, on-site faculty and staff, and academic programs more generally.

In addition to these six major elements, JCMU may also sponsor short-term programs of various kinds.

**A. Terms and Conditions of Consortium Membership**

1. Not less frequently than 30 days after the official published start date of each JCMU program term (including the JCMU's summer term, May term, and online/virtual programs start date), each Member Institution will forward to Michigan State University ("MSU"), as the administrative and fiscal agent for the JCMU, the program fees (which include instructional costs such as tuition for the applicable JCMU program, and related costs for excursions, course materials and required health insurance), housing fees (for JCMU apartments or home stay), and other necessary fees billed by JCMU to the Member Institution for each of that Member Institution's students participation at JCMU if:
  - a. The student was nominated to an applicable JCMU program for that term by that Member Institution;
  - b. The student was selected by the Consortium for admission to the applicable JCMU program; and
  - c. The student enrolls in the applicable JCMU program for that term.
2. As all instructional costs are borne by JCMU for all students participating in JCMU programs (both on-site and virtually), Member Institutions abdicate the benefit of home institution tuition for those students. In lieu of home institution tuition, Member Institutions shall charge students participating in JCMU programs only the fees invoiced by JCMU for those students. Member Institutions may charge institutional processing or administration fees for student process facilitation, such as document preparation, or pre-departure and post-program administrative elements. Such fees should not exceed 10% of the total value of the student's fees as invoiced to the Member Institution by JCMU.
3. Each Member Institution reserves the right to decide on the number and qualifications of those students it nominates to each JCMU program.
4. Each Member Institution will advertise JCMU on its own campus and recruit participants for each JCMU program from its student population.
5. Each Member Institution is responsible for awarding financial aid, consistent with its normal practices, to those of its students who are admitted to JCMU. The awarding of financial aid to each student participating in JCMU programs is the responsibility of the Member Institution which nominated that student, except insofar as funds are raised by MSU or another Member Institution on behalf of the Consortium for the purpose of offering scholarships through the Consortium to JCMU participants.
6. Students attending the Member Institutions will be granted elite preference for admission to JCMU up through the application deadline for each JCMU program, and for financial assistance to participate in JCMU programs. All interested students of

Member Institutions, not just specialists or majors in the area of Japanese studies, will be considered for admission to JCMU.

**B. Governance and Operation of JCMU**

1. Overall authority for JCMU is vested in the Presidents/Chancellors of the 15 State-supported universities in Michigan, or their designees.
2. The Member Institutions hereby authorize MSU to serve as the Consortium's administrative and fiscal agent for all JCMU activities.
3. Consortium Representatives
  - a. Each Member Institution will appoint an official Representative to the Consortium and support that Consortium Representative sufficiently to enable their participation in Consortium activities.
  - b. The official Consortium Representatives of the Member Institutions will establish an Executive Committee to develop JCMU policies and oversee their implementation on behalf of the Consortium.
  - c. The official Consortium Representatives shall meet at least twice per year, in person or virtually, and more often as deemed necessary.
  - d. A Consortium Representative may participate in any meeting (either regular or special) by conference telephone, digital platform, or other similar communications equipment through which all persons participating in the meeting may communicate with the other participants. Participation in a meeting via such technology constitutes presence in person at the meeting. A Consortium Representative may waive notice of time, place and purpose of any meeting either before or after any meeting is held.
  - e. A Consortium Representative entitled to vote at any meeting or to express consent or dissent without a meeting may authorize another Consortium Representative to act for the Member Institution by proxy.
  - f. Any action required or permitted by this Agreement to be taken at any meeting of the official Consortium Representatives may be taken without a meeting, without prior notice and without a vote if written consents setting forth the action taken are signed by a majority of the Consortium Representatives who are entitled to vote on the action.
4. Executive Committee
  - a. The Voting membership of the JCMU Executive Committee shall be comprised of seven officials:

- i. Three Consortium Representatives, elected by the greater Consortium Representatives group,
  - ii. Two members selected by the Academic Affairs Officers Committee of the Michigan Association of State Universities (“MASU”)
  - iii. The Executive Director of MASU; and
  - iv. One member designated by MSU’s Provost.
- b. No Member Institution may have more than one voting member on the Executive Committee.
- c. The Executive Committee may also include the Dean of MSU International Studies and Programs (or their designated proxy), a JCMU alumnus, and a representative of the Japan Business Society of Detroit as non-voting members. The Executive Director of the MSU Office of Education Abroad and members of the JCMU staff from East Lansing and Hikone may also attend the Executive Committee meetings but have no voting role in the Committee.
- d. Members of the Executive Committee elected by the Consortium Representatives shall serve a minimum of two-year terms. Terms of such members shall be staggered. Elections shall occur at the fall meeting (which will typically be held in October or November) of the Consortium Representatives each year with terms of office commencing when election outcomes are determined. Individuals may be re-elected for an unlimited number of terms.
- e. The voting members of the Executive Committee shall elect its Chair from among its voting members no later than December in the year in which a vacancy occurs. The Chair will convene meetings of all Consortium Representatives at least annually and more often as necessary and will provide a written record of the proceedings of the Executive Committee to all Consortium Representatives. Individuals who serve as Chair may be re-elected for an unlimited number of terms.
- f. An Executive Committee member may participate in any meeting (either regular or special) by a conference telephone, digital platform, or by other similar communications equipment through which all persons participating in the meeting may communicate with the other participants. Participation in a meeting via such technology constitutes presence in person at the meeting. An Executive Committee member may waive notice of time, place, and purpose of any meeting either before or after any meeting is held.
- g. An Executive Committee member entitled to vote at any meeting or to express consent or dissent without a meeting may authorize another Executive Committee member to act for the member by proxy.

- h. Any action required or permitted by this Agreement to be taken at any meeting of the Executive Committee members may be taken without a meeting, without prior notice and without a vote if written consents setting forth the action taken are signed by a majority of the Executive Committee members who are entitled to vote on the action.
  - i. The Executive Committee, with the input of the Consortium Representatives, shall develop appropriate written policies and procedures to allow implementation of JCMU curricular goals by the JCMU Resident Director.
  - j. JCMU administrative staff may be called upon to report in person or in writing to the Executive Committee regarding JCMU finances, programs, and related activities. The Executive Committee shall report proposals affecting policies and policy implementation in writing to the Consortium Representatives in a timely fashion to permit their review thereof. At a minimum, one month shall be provided for review and written comment by the Consortium Representatives. Such commentary shall be reviewed by the Executive Committee before it acts on the proposal.
- 5. The Presidents/Chancellors hereby delegate responsibility for the management of JCMU to the Consortium Representatives, and through the Consortium Representatives to the Executive Committee.
- 6. JCMU shall establish and maintain two offices for the purpose of program and operational administration: one at the living/learning Center in Hikone, Shiga Prefecture, Japan, and one within International Studies and Programs at MSU in East Lansing, Michigan, USA. The personnel employed by these two offices will be fully dedicated to the programs and operations of JCMU.
- 7. JCMU Resident Director
  - a. The chief administrator for JCMU in Japan shall be the Resident Director. The Resident Director shall be appointed and employed by MSU's International Studies and Programs in the United States and hold the rank of Visiting Assistant Professor at MSU. The Resident Director shall report directly to the Executive Director of the MSU Office of Education Abroad, as delegated in 2019 by the Dean of MSU's International Studies and Programs.
  - b. The Resident Director shall reside at JCMU's living/learning Center in Hikone, Shiga Prefecture (hereafter "JCMU-Hikone"), and oversee JCMU's daily operations, full study abroad and domestic academic programs portfolio, and personnel in Japan. With prior approval, the Resident Director may reside within 20 kilometers of the JCMU campus in Hikone or at an agreed upon distance, so as to respond promptly to operational concerns as necessary.

- c. The Resident Director will represent the Consortium and JCMU in all day-to-day interactions with Shiga Prefecture. They will work with Shiga Intercultural Association for Globalization (“SIA”) to cultivate and sustain the existing network of homestay families and internship opportunities for students participating in JCMU programs.
- d. The Resident Director will serve as the principal administrative contact with partner institutions in Japan regarding current courses/programs and prospective program development.
- e. The Resident Director shall, in accordance with immigration regulations and local laws in Japan, serve as the official guarantor for visas procured for JCMU’s students, instructors, staff, and other required personnel.
- f. The Resident Director shall recruit, manage, supervise and evaluate, in accordance with MSU personnel procedures and applicable local laws and regulations, all JCMU faculty and staff members who work at JCMU-Hikone.
- g. The Resident Director shall be responsible for such other duties as assigned by their supervisors at MSU or the JCMU Executive Committee.

#### 8. JCMU Financial Administration

- a. JCMU shall maintain its own budget and financial administration, and shall be responsible for the appropriate collection and accounting of revenues accrued and expenses incurred as part of its operational portfolio.
- b. Financial administrative review and budget approval shall be the responsibility of the Executive Committee. JCMU shall prepare and present a prospective budget for review by the annual Fall meeting each year. Standard portfolio program and housing fees will be reviewed by the Executive Committee at the Fall meeting and set for the next programming year (approximately 12 months from the meeting date).
- c. JCMU shall adhere to the audit compliance and financial stewardship standards followed by Michigan State University and utilize the MSU *Manual of Business Procedures* as the basis of consistent, compliant account administration within the United States. In Japan, JCMU shall comply with local laws and best practices regarding financial management and bookkeeping.
- d. In addition to its standard operations accounts, JCMU shall establish and maintain a separate financial reserve for emergencies or other costs beyond standard Program operation costs.
  - i. This reserve shall be funded through the withholding of 5% of JCMU’s standard portfolio program fees beginning in the 2022-2023

programming year (1 September 2022 through 31 August 2023). No revenues from housing fees or program fees from programs outside of JCMU's standard portfolio, including those fees charged to students participating in May short courses, Career/Culture Hybrid Programs, research or internship programs, or dual-organization graduate programs will be withheld for the reserve.

- ii. The balance of the reserve will be capped at two times JCMU's standard full-organization operational budget, or \$3 million U.S. dollars, whichever is lesser.
- iii. This reserve shall be established as an interest-bearing account and maintained in accordance with the best practices and business protocols for such financial administration at MSU. Any withdrawal and/or transfer of funds from the emergency reserve into JCMU's operations account will require prior approval of the Executive Director of Education Abroad at MSU, with a notice to the Executive Committee. This notice may be conducted in-person, at a meeting, or via digital communication.
- iv. Along with other financial reporting, JCMU will report on the balance of the reserve to the Executive Committee at each meeting.
- e. Member Institutions acknowledge their shared financial responsibility for JCMU. Furthermore, Member Institutions agree that, in the event of an unforeseen situation that requires expenditure beyond all of JCMU's financial resources, Member Institutions will make a good faith effort to secure and apply funds from their respective institutions to assist JCMU in avoiding financial insolvency.

## **C. Administration of Melville Endowed Scholarship Fund**

### **1. Establishment and Purpose of Fund**

- a. To expand the scope of student participation in the JCMU, for its own benefit and in its capacity as administrative and fiscal agent for the Consortium, MSU has obtained gifts with which it shall establish an endowment, which shall be known as the JCMU Harold Melville Endowed Fund (the "Fund"). Except for the rights of MSU or its successor under section C.5., no Member Institution shall have any right, title or claim to the Fund.
- b. The purpose of the Fund shall be to provide scholarships for students from the Member Institutions for the purpose of allowing such students to participate in JCMU programs.
- c. If the purpose described in section C.1.b becomes obsolete, inappropriate or impracticable, MSU's Provost may modify such purpose, after consultation by

MSU's Provost with the Executive Committee, to an alternative purpose consistent, to the extent possible, with the original purpose of the Fund. The advice of the Executive Committee shall carry important weight, but MSU's Provost shall have the authority to make the final decision regarding how expendable amounts from the Fund shall be used in these circumstances.

## 2. Administration of Fund

- a. MSU shall hold, administer and invest the Fund in the same manner, and under the same policies, as its other endowment funds. The other Member Institutions waive and release MSU from liability for any claims they may have in connection with the administration and investment of the Fund.
- b. The endowment guidelines for the Fund are attached as Exhibit A.
- c. Amounts that may be expended each MSU fiscal year from the Fund shall be determined in accordance with the endowment spending policy of MSU's Board of Trustees and applicable law.
- d. Expendable amounts that have not been disbursed at the end of each MSU fiscal year may, in MSU's discretion, either (i) be held to be spent in subsequent years or (ii) be returned to the Fund as additional corpus.
- e. MSU may assess reasonable fees against the Fund consistent with its standard policies for its endowment funds to offset the costs of stewardship, including fundraising, relating to its endowments.

## 3. Scholarship Awards and Fund Disbursements

- a. The Executive Committee shall adopt policies, after consultation with the Consortium Representatives and JCMU administrative personnel, regarding eligibility for recipients of scholarships from the Fund, the application and selection process for recipients of scholarships from the Fund, and the allocation of scholarships among students from the Member Institutions. JCMU administrative personnel at the East Lansing Programs Office will be responsible for enacting these policies and carrying out protocols for scholarship selection and awards.
- b. MSU shall disburse amounts from the Fund to the Member Institution that the scholarship recipient attends and the corresponding Member Institution shall be responsible for allocating the scholarship funds for the benefit of the scholarship recipient; provided, that, if the scholarship recipient attends MSU, MSU may allocate the scholarship funds directly to the scholarship recipient.

## 4. Withdrawal of Consortium Members

- a. If a Member Institution withdraws from the Consortium:



- i. The withdrawing Member Institution shall not be entitled to receive any amounts from the Fund after the effective date of the withdrawal, and;
    - ii. Students attending the withdrawing Member Institution shall not be eligible for scholarships from the Fund after the effective date of the withdrawal.
  - b. Notwithstanding the foregoing, a Member Institution's withdrawal shall not affect the disbursement of scholarship funds previously designated to be used for the benefit of students of the withdrawing Member Institution during the academic term of the JCMU program in progress at the time the Member Institution gives notice of its withdrawal.
  - c. If MSU withdraws from the Consortium, but the Consortium continues to exist, effective upon its withdrawal, MSU shall transfer the balance of the Fund to the Member Institution or other organization described in section 501(c)(3) or Section 115 of the Internal Revenue Code that becomes the administrative and fiscal agent for the Consortium to maintain and use the Fund in accordance with its purpose.
5. Dissolution of Consortium/JCMU
- a. If the Consortium and JCMU are dissolved or cease to exist, MSU (or its successor as administrative and fiscal agent) shall retain full ownership and control of the Fund to be used for such purpose or purposes as MSU or its successors may determine, provided that such purpose or purposes shall be as closely related to the original purpose of the Fund as possible.

#### **D. Modification of the Agreement**

- 1. The Executive Committee may propose changes to this Agreement to the Member Institutions at any scheduled meeting of the Consortium Representatives, provided all Member Institutions receive notice of the proposed changes at least 30 calendar days prior to the meeting at which the proposed change will be discussed.
- 2. A vote by two-thirds of the Consortium Representatives shall be required to adopt a proposed change. If Official Representatives of all Member Institutions are not present at the meeting, a vote may be conducted in writing (including email) provided that the proposed changes were first discussed at a meeting of Official Representatives.

#### **E. Withdrawal**

Any Member Institution may withdraw from the Consortium at its own discretion. In order to minimize disruption to JCMU, written notification to the Executive Committee of the intention to withdraw must be received not later than the first of November of the year preceding the effective date of withdrawal, which effective date shall be no earlier than the subsequent JCMU fall term. Withdrawal from the Consortium does not release any Member Institution from, or otherwise

affect, any obligation or commitment to the Consortium or otherwise relating to the JCMU made by the Member Institution prior to the effective date of its withdrawal.

**F. Miscellaneous**

1. Nothing in this Agreement shall be construed as creating or giving rise to any rights in third parties or persons other than the parties to this Agreement.
2. No party to this Agreement may subcontract, assign or transfer this Agreement without the prior written consent of the other parties.