

**College of Micronesia-FSM  
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<b>Committee or Working Group:</b>	<b>Finance Committee</b>
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<b>Date:</b> May 20, 2010	<b>Time:</b> 9:00 am to 11:00 am	<b>Location:</b> Board Conference Room
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<b>Members Present: 12 (55%)</b>	<b>Members Absent: 10 (45%)</b>
<ul style="list-style-type: none"> <li>▪ Danny D, Comptroller</li> <li>▪ Eddie H, FAO Director</li> <li>▪ Jean T, VPIA</li> <li>▪ Doman D., SC Accountant</li> <li>▪ Ringlen R, VPSS</li> <li>▪ Jim C, VPCRE</li> <li>▪ Joe H, VPA</li> <li>▪ Rencelly N. HRO Director</li> <li>▪ Jimmy H., IRPO Director (rep. by Releigh Welley)</li> <li>▪ Gordon Segal, IT Director (represented by Shaun Suliol)</li> <li>▪ Jojo P., Chk, Director</li> <li>▪ Kalwin K, Ksa Director</li> </ul>	<ul style="list-style-type: none"> <li>▪ Debra P., Faculty Rep SC</li> <li>▪ Matthias E, FMI Director</li> <li>▪ Trisha Johnson. Student Rep</li> <li>▪ Ray Vergin, Faculty Rep NC</li> <li>▪ Kimberly A, Student Rep.</li> <li>▪ Sean Kadangged, Student Rep.</li> <li>▪ Lourdes R, Yap Director</li> <li>▪ Rafael P, Bus. Div. Rep.</li> <li>▪ Pelma P., Bus. Office Mngr.</li> <li>▪ Penny W, Pni Director</li> </ul>

<b>Additional Attendees:</b>	<ol style="list-style-type: none"> <li>1. Alfred Olter</li> <li>2. Joe Saimon</li> </ol>
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<p><b>1. <u>Roll call and declaration of quorum</u></b></p> <p>The chairman welcomed all attendees and called the regular meeting to order at 9:15 am on May 20, 2010 at the A-Plus Center.</p> <p>Twelve (12) members were present and (10) Fifteen members were absent.</p> <p>With 55% present members, the secretary advised that the committee met the quorum to proceed and adopt a motion.</p> <p><b>2. <u>Proposed Policies from the Endowment Fundraising Steering Committee (EFSC)</u></b></p>
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## 2.1 EFSC Policy A1: Scholarship to Students.

Joe Saimon presented the policy regarding the awarding of three scholarships to qualified COM-FSM students during each of the three semesters of the school year to be funded from Endowment Fund.

Joe Habuchmai stated that the college has scholarship committee that reviews scholarships to students. He suggested that the suggested policy on scholarship should be presented to the scholarship committee so it can be tied up with other scholarship grants such as from European Union.

Ringlen stated that scholarship provided directly by the college that is separate from other scholarship programs is a good idea.

During the discussion, some members raised concern on the use of endowment fund in funding the proposed scholarship.

Rencelly commented on some details of the policy and suggested to use the funds raised by the fund raising committee instead of using the interests from money investments.

The chairman raised the following concerns:

- Whether the policy has been reviewed and adopted by EFSC before endorsing to Finance Committee. The Chair noted that per the minutes of meeting from EFSC, the scholarship issue was an information sharing and there were no discussions and formal endorsement by EFSC reflected in the minutes.
- Whether the policy has to be developed as a separate policy by EFSC or to be presented as an amendment to existing policy on the use of interests wherein 50% is earmarked for endowment and the other 50% can be used for unbudgeted expenditures of the operations.
- The negative implications of the suggested policy in achieving the endowment fund goal of 20/20. The Chair advised that the college has not been achieving the targeted yearly contributions to endowment fund, and using the interest that is intended to endowment fund to other purpose will severely affect the level of contributions to endowment fund.

The committee agreed on the concept of providing scholarship. However, it was suggested that the Financial Aid Committee must be involved in discussing and reviewing this matter. Further, the committee is concern on the use of the interests to fund the suggested scholarship.

Jim Currie moved and Ringlen seconded to endorse the concept of scholarship to the proper committee for review before Finance Committee will discuss and recommend the financial considerations of the policy. The motion passed unanimously.

## 2.2 EFSC Policy B1: Parking Fee.

Rencelly inquired if the rate is for a semester or yearly basis. She asked clarifications on how it would apply to part-time employees if it is a yearly rate. She commented the unfairness of part-time employees to pay \$20 for they are not working a full year.

Jean commented that it would be unfair if there are no available spaces for those who paid parking fees.

The Chair noted that the application of the suggested policy for the parking fee was only for Chuuk campus and not to all campuses, and that the intention of Chuuk campus is to generate fund as part of fund raising activity for the endowment fund. Based on this premise, the Chair concluded that the suggested policy is an activity of the Fund Raising Committee which does not require policy development for the system and accordingly does not require endorsement from Finance Committee.

Eddie moved and Ringlen seconded for Finance Committee to note the suggested charging of parking fee at Chuuk campus as a fund raising activity which does not require policy development. The motion passed unanimously.

### **3. Access Road Project –Chuuk Campus Proposed Permanent Site**

Joe H. presented that the access road at Nantaku will deteriorate if the college will not complete the project. He advised that supplemental fund of \$50k is needed to complete the project.

The committee discussed the details of the initial funding provided for this project and acknowledged the need to complete the access road.

Joe H. advised that the college will work with FSM government to negotiate for the reimbursement to the college on the costs of the access road as part of the IDP.

Kalwin commented on the details in the calculation of costs for travel, using stipend instead of per diem, as part of the breakdown for the \$50k. The Chairman advised that the presented travel costs is lower using the stipend than the full per diem.

Rencelly moved and Eddie seconded to approve the supplemental funding of \$50k from fund balance for the completion of Chuuk campus access road at Nantaku site. The motion passed unanimously.

### **4. FMI Supplemental Budget Request**

Joe H. presented the memorandum from FSM – FMI Director requesting supplemental budgets from fund balance of \$77,000 for the following:

- \$22,000 – food supplies
- \$ 5,000 – office supplies
- \$50,000 – utilities

The committee discussed the connection of housing units of employees to FSM – FMI meter as the reason of high utility cost at FSM - FMI. He advised that the utility bill of FSM – FMI is \$11k per month. VPA office is working with MCS to arrange the separation of

meters for housing units from FSM – FMI.

The President had made a note in the memorandum from FSM – FMI to charge \$50 per month for utilities from employees living in the housing units. The committee discussed and reaffirmed the propriety of the \$50 charge for utilities for each housing unit in the meantime that meter has not been separated.

Jean moved and Rencelly seconded to recommend supplemental budget of \$50,000 from fund balance to be used for FSM – FMI utilities. The motion passed unanimously.

Another motion was moved by Jean and seconded by Rencelly to charge \$50 per month to employees who are living in the housing units until their meters are separated from FSM – FMI meter. The motion passed unanimously.

## 5. Indirect Cost

The VPA discussed the suggested indirect cost distribution for programs handled at state campuses at 75% for state campus and 25% for business office. For the indirect cost of programs at national campus, the distribution is suggested to remain as is.

Jim and Kalwin suggested to change the recipient of the 25% to VPA office instead of Business Office.

The committee discussed several issues regarding indirect costs including quantifying the responsibility of each department directly involved in the grant as the basis in determining the proper allocation of indirect cost.

Rencelly commended the need to create a defined usage of the indirect cost.

Jean suggested to table the discussions and action on indirect cost in future meetings so it can be discussed comprehensively. Kalwin suggested to table the discussion on indirect cost when all the campus directors are present. Thus, the agenda is suggested to be tabled on August during the President retreat when all members are present.

The committee agreed to table the discussion on indirect cost on future meeting when state campus directors are present. The motion passed unanimously.

With no other matters to be discussed Ringlen moved and Jim C. seconded that the meeting be adjourned. The meeting was adjourned at 11:00 am.

Next FC Regular Meeting:

To be advised.

Handouts/Documents for the Meeting:

1. Memorandum from the Endowment Fundraising Committee

2. Chuuk Access Road Project Budget Estimate
3. Memorandum from FSM - FMI to President Spensin James

**Motion Adopted by Finance Committee**

Item	FC Vote/ Remarks	President Approval/ Disapproval
1. Jim Currie moved and Ringlen seconded to endorse the concept of scholarship to the proper committee for review before Finance Committee will discuss and recommend the financial considerations of the policy. The motion passed unanimously.	Passed unanimously	
2. Eddie moved and Ringlen seconded for Finance Committee to note the suggested charging of parking fee at Chuuk campus as a fund raising activity which does not require policy development. The motion passed unanimously.	Passed unanimously	
3. Rencelly moved and Eddie seconded to approve the supplemental funding of \$50k from fund balance for the completion of Chuuk campus access road at Nantaku site. The motion passed unanimously.	Passed unanimously	
4. Jean moved and Rencelly seconded to recommend supplemental budget of \$50,000 from fund balance to be used for FSM – FMI utilities. The motion passed unanimously.	Passed unanimously	
5. Jean moved and Rencelly seconded to charge \$50 per month to employees who are living in the housing units until their meters are separated from FSM – FMI meter. The motion passed unanimously.	Passed unanimously	