

Physical Resources Contingencies Fund

1.0 Policy:

It is the policy of College of Micronesia-FSM to establish a “Physical Resources Contingencies Fund” and to allocate from its finance resources certain sums of money to ensure availability of fiscal resources to support the need for the total cost of facilities ownership; procurement of equipment, funds for major renovations and repairs. The funds may be used for matching grants and loan equity. The fund may serve as a physical resources relief fund for damages caused by natural disasters and accidents.

The college shall initially allocate \$500,000 from its fund balance to establish the fund and shall continue to deposit \$50,000.00 annually into the account.

2.0 Purpose:

To ensure availability, reliable and ongoing funding source to support the need for major renovation and repairs and upkeep of college facilities and replacement of major equipment that cannot be funded through its annual operations budget.

To provide reliable source of fund for repairs and replacement of physical resources damaged by natural disasters and/or accidents.

3.0 Responsibilities and Procedures:

It is the responsibility of the President of the college to establish the procedures and guidelines for the administration of the fund. And ensure that any use or obligation of the funds exceeding \$50,000 is approved by the Board of Regents.

It is the responsibility of the college Chief Financial Officer to provide annual performance report for the fund to the Board of Regents, All Campus Directors and Vice Presidents.

4.0 Definition:

- a. Physical Resources Contingency fund or Total Cost of Facilities Ownership means:
 1. Replacement of buildings or facilities damaged by natural disaster.

2. Emergency renovations of a building that maybe considered unsafe.
3. Emergency repair of a facility that may have adverse affect on quality of instruction and learning.
4. This fund is different than the regular maintenance repairs and operation funding.

5.0 Sources:

Startup capital for total cost of facilities ownership request to PRC July 31, 2011.

COM-FSM Facilities Use Policy of May 23, 2001

Responding to Recommendation 6. Physical Resources from ACCJC.