

AN ACT

To establish the College of Micronesia - FSM, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1       Section 1. Title. This act shall be known and may be cited  
2 as the "College of Micronesia - FSM Act of 1992."

3       Section 2. College of Micronesia - FSM established as a  
4 public corporation. The College of Micronesia - FSM (hereinafter  
5 also referred to as "the College"), its extension schools,  
6 continuing education programs, and such other colleges,  
7 institutions, schools, centers, and programs as may from time to  
8 time be established by law or by the Board of Regents to come  
9 under the College of Micronesia - FSM system, is hereby  
10 established as a public corporation.

11       Section 3. Definitions. In this act, unless the context  
12 otherwise requires:

13           (1) "Adult basic education" means secondary level  
14 educational programs and courses offered to out-of-school adults;

15           (2) "Board" or "Board of Regents" means the Board of  
16 Regents of the College of Micronesia - FSM as established by this  
17 act;

18           (3) "COMFSM" or "the College" means the College of  
19 Micronesia - FSM as established by this act;

20           (4) "College of Micronesia" or "COM" means the College  
21 of Micronesia system established pursuant to the "Treaty Among  
22 the Governments of the Republic of the Marshall Islands, the



1 Federated States of Micronesia, and the Republic of Palau"  
2 executed in Kolonia, Pohnpei, Federated States of Micronesia, on  
3 September 1, 1987, as amended, or any successor treaty that  
4 continues the existence of the College of Micronesia;  
5 (5) "Congress" means the Congress of the Federated  
6 States of Micronesia;  
7 (6) "Continuing education" means in-service professional  
8 development and non-credit or credit programs and courses offered  
9 at the post-secondary level;  
10 (7) "General education" means an education program that  
11 introduces the content and methodology of the major areas of  
12 knowledge, including the humanities, the fine arts, the natural  
13 and social sciences, and helps students to develop intellectual  
14 skills and social attitudes that will make them effective  
15 learners and citizens;  
16 (8) "Land Grant Programs" means the programs established  
17 by 7 United States Code sections 301 et seq.;  
18 (9) "Post-secondary education" means any educational  
19 offerings beyond the secondary level;  
20 (10) "Treaty" means the "Treaty Among the Governments of  
21 the Republic of the Marshall Islands, the Federated States of  
22 Micronesia, and the Republic of Palau Regarding the College of  
23 Micronesia" signed in Kolonia, Pohnpei, Federated States of  
24 Micronesia, on September 1, 1987, as amended; and  
25 (11) "Vocational education" means the provision of

1 skills and attitudes which makes an individual employable and  
2 productively useful in the labor market.

3 Section 4. Purposes. It is the intent of this act to  
4 establish a post-secondary educational entity to be located  
5 within the Federated States of Micronesia to serve the varied  
6 post-secondary and adult educational needs of the Nation. As  
7 such, the College of Micronesia - FSM established by this act  
8 shall:

9 (1) Provide for such services as post-secondary  
10 education instruction, teacher training, continuing education,  
11 cultural education, adult basic education, vocational education,  
12 extension services, post-high school college preparatory  
13 instruction and assistance, administration of post-secondary  
14 education financial assistance programs for students attending  
15 COMFSM, monitoring COMFSM student performance, and other  
16 post-secondary education related functions;

17 (2) Maintain accreditation by the Western Association of  
18 Schools and Colleges and other appropriate accreditation  
19 institutions;

20 (3) Develop and offer certificate and degree programs in  
21 fields that will meet the development and manpower needs of the  
22 States and the Nation;

23 (4) Assist, when requested, in any training and  
24 education programs and services currently being provided to  
25 adults and out-of-school youths by various public and private

---

1 agencies and organizations;

2 (5) Develop and conduct outreach programs where there is  
3 an established need and available funding;

4 (6) Serve as an instruction, research and extension  
5 site for Land Grant Programs for COM and/or COMFSM, be eligible  
6 to receive funding, endowments and interest available to Land  
7 Grant institutions, and provide instruction, training,  
8 coordination, assistance and financial and other support for Land  
9 Grant Programs;

10 (7) Coordinate with other educational institutions in  
11 the Micronesian region and other locations, for such matters as  
12 the transfer of credits and programs, reciprocal treatment of  
13 students for immigration, work-study, and other purposes,  
14 coordination of exchange programs, joint and cooperative research  
15 or educational programs, and such other matters that deal with  
16 the cooperative interaction between COMFSM and other educational  
17 institutions;

18 (8) Coordinate and cooperate with the respective  
19 education departments in each of the States and with the National  
20 Government Department of Human Resources, Division of Education,  
21 for the effective shared use of resources, including, but not  
22 limited to, facilities, equipment, personnel, technical  
23 assistance, funding, and educational support services;

24 (9) Conduct and support research relevant to the needs  
25 of the States and the National Government of the Federated States



1 of Micronesia to the degree funding is available particularly as  
2 relevant to assessing ongoing training, educational, and  
3 technological needs;

4 (10) Administer, coordinate, and provide services related  
5 to post-secondary student financial assistance provided by  
6 governmental and other sources for students attending COMFSM and  
7 other affiliated programs;

8 (11) Serve as a post-secondary education testing center;

9 (12) Support and fund continuing education centers and/or  
10 other equivalent programs in the States;

11 (13) Upon specific request, serve as an assisting and  
12 coordinating agency for all post-secondary education activities  
13 conducted within the Federated States of Micronesia when  
14 requested by other agencies and organizations; and

15 (14) Provide other post-secondary and adult education  
16 related activities as determined by the Board and as financially  
17 feasible.

18 Section 5. Organizing principles. The College, in  
19 accordance with recognized professional standards, shall have a  
20 representative governance structure to insure institutional  
21 autonomy, academic freedom, principles of equity, and insulation  
22 from political interference in order to best serve the public  
23 interest.

24 Section 6. Board of Regents established; Membership.

25 (1) A seven member Board of Regents which shall be the

1 governing body for the general management and control of the  
2 College is hereby established and shall consist of the following  
3 members:

4 (a) Three members shall be appointed by the  
5 President with the advice and consent of the Congress. One of  
6 these members shall be designated as the representative from  
7 the National Government.

8 (b) Four members, one from each State, shall be  
9 appointed by the President with the advice and consent of  
10 the Congress. These members shall be designated as  
11 representatives from their respective States.

12 (c) The President of the College shall be an ex  
13 officio member of the Board with no voting rights.

14 (2) Employees of the College shall not be eligible for  
15 appointment by the President pursuant to subsections (1)(a) and  
16 (1)(b) of this section. Members appointed by the President  
17 pursuant to subsections (1)(a) and (1)(b) of this section shall  
18 represent diverse elements of the population of the States and  
19 the Nation, including, but not limited to, business and industry,  
20 education, and community service organizations.

21 (3) All members, except the President of the College,  
22 shall be voting members.

23 Section 7. Board of Regents; Initial terms of office. At  
24 the initial Board meeting, the four members of the Board  
25 representing their respective States shall draw lots in order to

1 ascertain their terms of office. Two States shall have an  
2 initial two-year term and two States shall have an initial  
3 three-year term. After the initial terms, the terms of the  
4 respective State members shall be as provided in section 8 of  
5 this act. The initial terms of office of the remaining Board  
6 members shall be as provided in section 8 of this act. Members  
7 of the Board may serve beyond the expiration date of their  
8 initial terms until their successors have been appointed.

9 Section 8. Board of Regents; Terms of office. The terms of  
10 office for the members of the Board shall be as follows:

11 (1) The members solely appointed by the President  
12 shall serve for a term of 3 years and shall not serve more than  
13 two consecutive terms.

14 (2) The members representing their respective States  
15 shall serve for a term of 3 years and shall not serve for more  
16 than two consecutive terms.

17 (3) Members of the Board may serve beyond the expiration  
18 date of their terms until their successors have been appointed.  
19 The initial terms of members of the Board shall be counted  
20 towards the aforementioned limitation of terms.

21 Section 9. Board of Regents; Notification of expiration of  
22 term. The Board of Regents shall notify the President of the  
23 Federated States of Micronesia, in writing, of the upcoming  
24 expiration of the term of Board members 90 days before the actual  
25 expiration of the Board member's term.

1       Section 10. Board of Regents; Vacancies. Any vacancy on the  
2 Board shall be filled for the unexpired portion of the term in  
3 the same manner as the original appointment. Three consecutive  
4 absences, of any kind, of a Board member from separately called  
5 meetings of the Board, called not less than 30 calendar days  
6 apart, shall automatically create a vacancy in that Board member's  
7 seat. Upon a determination that a vacancy exists, the chairperson,  
8 or in his/her absence, the presiding officer of the Board shall issue  
9 a notice of vacancy to all members of the Board and to the appropriate  
10 governmental entities and parties responsible for filling the vacancy.

11       Section 11. Board of Regents; Officers. Members of the Board  
12 shall annually appoint one member chairperson, who shall preside at  
13 meetings of the Board. At the same time they shall also appoint one  
14 member vice chairperson to serve as the presiding officer of the Board  
15 in the absence of the chairperson, and a secretary-treasurer who shall  
16 serve as presiding officer of the Board in the absence of both the  
17 chairperson and vice chairperson. In the absence of all three  
18 officers, the Board may appoint a pro tempore officer to preside. The  
19 President of the College shall not be eligible for appointment as an  
20 officer of the Board.

21       Section 12. Board of Regents; Quorum. A quorum of the Board  
22 shall consist of a majority of all voting members. All official  
23 business of the Board shall be conducted by a majority of those  
24 present and voting at a meeting of the Board for which a quorum  
25 exists, unless otherwise provided by law or the bylaws of the Board.



---

1       Section 13. Board of Regents; Meetings.

2               (1) The Board shall meet and organize by the election of  
3 its officers in its regular annual organizational meeting which shall  
4 be called on a specified date each year. In addition to the regular  
5 organizational meeting, the Board shall meet in one other regular  
6 meeting during the year, as specified in the bylaws of the Board.

7               (2) The Board may also meet in special meetings at such  
8 other times of the year as the Board shall so determine. The  
9 chairperson shall call a special meeting of the Board upon the  
10 petition of three of its members.

11              (3) In the case of any regular meeting of the Board,  
12 written notice shall be provided to Board members at least 10 calendar  
13 days in advance of the meeting day.

14              (4) Meetings of the Board shall be open to the public  
15 provided that the Board is not discussing personnel matters,  
16 litigation or impending litigation with its attorney.

17              (5) In the case of any regular meeting of the Board, notice  
18 shall be provided to the public in advance of the meeting day.

19              (6) The Board shall publish and disseminate the minutes of  
20 all of its meetings within 20 calendar days of the conclusion of a  
21 meeting.

22              (7) The Board shall schedule and hold a meeting with  
23 representatives of the Student Body Association and/or the Staff  
24 Senate, during the current or next upcoming Board meeting, whichever  
25 is sooner, when a written request for such a meeting is made by the

1 Student Body Association or the Staff Senate of the College.

2 Section 14. Board of Regents; Committees. The Board may create  
3 such committees of the Board as it deems necessary or appropriate. No  
4 committee or committee member shall act in place of the Board and  
5 committee decisions must be approved by the Board.

6 Section 15. Board of Regents; Expenses, compensation, and  
7 honorarium. The members of the Board shall receive per diem and car  
8 rental, where justified and necessary, at standard National Government  
9 rates while on Board-approved business of the College. Those members  
10 who are employees of the National Government or the College  
11 shall be granted administrative leave and receive their regular  
12 salaries while on the business of the College. Other nongovernment  
13 members who are not otherwise being compensated shall receive  
14 compensation on a daily basis while on the Board-approved  
15 business of the College. The rate of compensation shall be  
16 established by the Board, but shall not exceed \$30.00 per day.  
17 Consultants or advisors participating in Board activities who are not  
18 officials or employees of the National or State Governments or  
19 the College may receive a reasonable honorarium at the discretion  
20 of the Board. The President of the College shall not be entitled to  
21 receive expenses, compensation or honorarium as provided in this  
22 section.

23 Section 16. Board of Regents; Indemnification of members. Every  
24 member of the Board shall be indemnified by the College against all  
25 expenses and liabilities reasonably incurred or imposed upon such

1 member of the Board in connection with any threatened, pending, or  
2 completed action, suit or proceeding to which such member may be made  
3 a party or in which the member may become involved by reason of being  
4 or having been a member of the Board, or any settlement thereof,  
5 whether or not such member of the Board is a member of the Board at  
6 the time such expenses are incurred, except in such cases wherein the  
7 member of the Board is adjudged guilty of willful misfeasance or  
8 malfeasance in the performance of the duties of the office; PROVIDED,  
9 however, that in the event of a settlement, the indemnification herein  
10 shall apply only when the Board approves such settlement and  
11 reimbursement as being in the best interest of the College. The  
12 private property of members of the Board shall not be subject to the  
13 debts or obligations of the College. The foregoing right of  
14 indemnification shall be in addition to, and not exclusive of, all  
15 other rights to which such member of the Board may be entitled.

16 Section 17. Board of Regents; Bylaws. The Board shall adopt,  
17 amend, and repeal bylaws governing the conduct of its business and the  
18 performance of the powers and duties granted to, or imposed upon it,  
19 by law.

20 Section 18. Board of Regents; Removal of members. Board members  
21 may be removed before the expiration of their terms by a four member  
22 majority vote of all the other voting members of the Board for  
23 incompetence, neglect of duty, unethical conduct, or malfeasance in  
24 office. Notification of intent to call for removal pursuant to this  
25 section shall be made at least 20 calendar days in advance, by means

1 which shall be described in the bylaws, and shall include a summary of  
2 the basis of the charges against the member and identification of the  
3 witnesses to be called and evidence to be used. Original jurisdiction  
4 over any claim of wrongful removal by action of the Board shall be in  
5 the Trial Division of the Supreme Court of the Federated States of  
6 Micronesia.

7 Section 19. Board of Regents; Powers and responsibilities. The  
8 Board of Regents shall have general management and control over the  
9 affairs of the College, and to this end, shall have the powers to:

- 10 (1) Clarify the mission of the College;
- 11 (2) Ensure the institutional autonomy of the College;
- 12 (3) Act as a liaison between the community and the College;
- 13 (4) Be responsible for the financial soundness of the  
14 College and ensure that the educational program and the physical  
15 facility plans are of high quality and consistent with the purposes of  
16 the College;
- 17 (5) Ensure adequate financial resources, including seeking  
18 funding for the College and its programs from businesses and  
19 institutions both inside and outside the Federated States of  
20 Micronesia;
- 21 (6) Ensure strong financial management;
- 22 (7) Appoint and terminate all officers and employees of the  
23 Board;
- 24 (8) Appoint and assess the performance of the President of  
25 the College;



1           (9) Ensure the well-being of faculty, students, and  
2 staff through the approval of appropriate policies and  
3 procedures;

4           (10) Adopt, amend, and repeal bylaws governing the conduct  
5 of its business and the performance of the powers and duties granted  
6 to, or imposed upon it, by law;

7           (11) Serve as the court of appeal to faculty, students, and  
8 staff;

9           (12) Fix, in its discretion, the rates to be charged to  
10 students of the College for tuition, room and board, and other  
11 necessary fees and charges, and grant tuition waivers as the Board  
12 shall deem appropriate;

13           (13) Approve such policies and standards as deemed necessary  
14 for the effective operation of the College;

15           (14) Approve programs of instruction and research;

16           (15) Incorporate into the College such technical and  
17 research establishments as the Board deems necessary or appropriate to  
18 ensure a quality program of instruction and research which is relevant  
19 to priorities of the State and National Governments of the Federated  
20 States of Micronesia, and to acquire all property whether real,  
21 personal or mixed, tangible or intangible, or any such establishment  
22 as may be transferred to the College;

23           (16) Annually review and approve long-range plans for the  
24 development of the College;

25           (17) Execute, in accordance with its bylaws, all instruments

1 necessary or appropriate in the exercise of its powers and to that  
2 end adopt, alter, and use a common seal by which all acts of the Board  
3 shall be authenticated;

4 (18) Delegate any of its powers and duties to an officer of  
5 the Board or an official or employee of the College where proper and  
6 appropriate;

7 (19) Act in an advisory capacity to the regional COM Board  
8 of Regents on Land Grant Plans of Work and other Land Grant issues;

9 (20) Take such other actions and assume such other  
10 responsibilities as may be necessary or appropriate to carry out the  
11 powers and duties granted to or imposed upon it by this act; and

12 (21) Assess their own performance.

13 Section 20. Board of Regents; Ethical conduct. The Board shall  
14 act as a whole; no member or committee created by the Board may act in  
15 place of the Board. The bylaws of the Board created pursuant to  
16 sections 17 and 18 of this act shall include a statement of ethical  
17 conduct for its members. Such statement shall include, but is not  
18 limited to, a provision prohibiting Board members from participating  
19 in any action involving a possible conflict of interest or from  
20 realizing a financial gain, other than compensation provided pursuant  
21 to this act, from their position as a Board member.

22 Section 21. President of the College.

23 (1) The President of the College shall be appointed by the  
24 Board. The President of the College shall have full charge and  
25 control of the administration and business affairs of the College.

1           (2) The powers of the President of the College are subject  
2 to limitations by the Board and by law, and include the following:

3                   (a) To see that rules and regulations of the College  
4 are established and implemented;

5                   (b) To attend all meetings of the Board and submit a  
6 general report of the affairs of the College to the Board;

7                   (c) To keep the College advised of the requirements  
8 set forth by the Board;

9                   (d) To keep the Board advised as to the needs of the  
10 College;

11                   (e) To devote her/his full time to the business of the  
12 College, to approve the selection and appoint the employees of the  
13 College except as otherwise provided by this act and to plan,  
14 organize, coordinate, and control the services of such employees in  
15 the exercise of the power of the College under the general direction  
16 of the Board;

17                   (f) To cause to be submitted to the President of the  
18 Federated States of Micronesia and the Congress 120 days from the  
19 end of each fiscal year a report describing the condition and progress  
20 of College programs and activities during the preceding fiscal year,  
21 including a financial report showing the results of operations for the  
22 preceding fiscal year and financial status of the College on the last  
23 day thereof. The report shall be made in a manner provided by the  
24 Board; and

25                   (g) To perform such other additional duties as the

1 Board may require.

2 Section 22. Employees of the College.

3 (1) A personnel system for the College shall be adopted  
4 which provides that employees of the College are not employees of any  
5 government of the Federated States of Micronesia, or its political  
6 subdivisions, for any purpose.

7 (2) In appointing and promoting officials and other  
8 employees of the College, criteria and procedures shall be utilized  
9 which are fair, objective, practical, do not discriminate on the basis  
10 of sex, marital status, physical handicap, race, religious or  
11 political preference, place of origin or ancestry, and result in the  
12 impartial selection of the ablest person for the particular job.

13 (3) Except for officials of the College serving at the  
14 pleasure of the Board, every official, faculty member, and other  
15 employee of the College shall be entitled to hold his/her position  
16 during good behavior, subject to suspension, demotion, layoff, or  
17 dismissal only as provided in the personnel regulations of the  
18 College; PROVIDED that the tenure of a contract employee is the term  
19 stated in his/her contract. No employee of the College shall be  
20 suspended, demoted, laid off, dismissed, or otherwise discriminated  
21 against because of sex, marital status, physical handicap, race,  
22 religious or political preference, place of origin or ancestry.

23 (4) Individuals who are employees of the Community College  
24 of Micronesia of the College of Micronesia, upon entry into force  
25 of this act, may continue to serve in their current positions with the



1 College.

2 Section 23. Incorporation of the College. The College:

3 (1) Is a public corporation;

4 (2) Has perpetual succession;

5 (3) Shall have a seal;

6 (4) May enter into contracts;

7 (5) May acquire, hold, charge and dispose of property;

8 (6) May sue and be sued in its corporate name; and

9 (7) For the purposes of its functions, has all the powers,  
10 duties, and responsibilities of a corporation.

11 Section 24. Liability.

12 (1) With respect to suits brought in the courts of the  
13 Federated States of Micronesia, the College shall be subject to suit  
14 only in the manner provided for and to the extent that suits may be  
15 brought against the National Government of the Federated States of  
16 Micronesia; PROVIDED that any liability incurred by the College shall  
17 not be a liability of the National Government of the Federated States  
18 of Micronesia or its political subdivisions. The chairperson or  
19 vice chairperson of the Board of Regents is authorized to accept  
20 service or to be served on behalf of the College.

21 (2) The College shall endeavor to maintain adequate  
22 insurance coverage to protect itself against liability for bodily  
23 injury or death of any person and against liability for loss of or  
24 damages to property as the result of the operations or maintenance of  
25 real property, facilities and improvements, and vehicles and other

1 equipment owned or used by the College.

2 Section 25. Financial support. The College at its discretion  
3 shall:

4 (1) Acquire in any lawful manner any property, real,  
5 personal or mixed, tangible or intangible, or any interest therein for  
6 purposes of the College; to hold, maintain, use, and operate the same  
7 for purposes of the College; and to sell, lease, transfer, exchange,  
8 or otherwise dispose of the same at such time, in such manner, and to  
9 the extent deemed necessary by the Board to carry out the purposes of  
10 the College; PROVIDED that any real property and improvements thereon  
11 granted to or otherwise made available to the College shall revert to  
12 the respective State or National Government, or its political  
13 subdivisions, upon the cessation of its active use by the College; and  
14 (2) Borrow money provided that no debt of the College shall  
15 be secured by real property or improvements granted or otherwise made  
16 available to the College by the National Government, or any political  
17 subdivision thereof; and PROVIDED that, unless expressly provided by  
18 law or agreement, no debt or obligation of the College shall be a debt  
19 or obligation of the National Government or its political  
20 subdivisions, nor shall the National Government, or its political  
21 subdivisions be responsible for any such debts or obligations.

22 Section 26. Budget submission.

23 (1) An annual budget shall be submitted, in a timely  
24 fashion, by the Board to the President and the Congress of the  
25 Federated States of Micronesia for the annual expenditures of the

1 College. The Congress shall make annual appropriations to the College  
2 for operating and capital expenditures.

3 (2) The budget shall:

4 (a) Contain budget projections for each of the 2  
5 subsequent fiscal years;

6 (b) Include all expenditures and projected revenues  
7 for all sources;

8 (c) Include an operations budget for each major  
9 component of the College;

10 (d) Identify capital improvement needs of the College;  
11 and

12 (e) Include analysis of major trends over the 3 years  
13 budgeted and projected regarding funding sources, spending and program  
14 emphasis, proposed program expansions and contractions, tuition, room  
15 and board, other fees and charges, and staffing levels.

16 (3) In addition to the annual budget the College may make  
17 application for additional funds.

18 (4) The College is authorized to receive tuition, fees,  
19 private gifts, donations, endowments, grants and other monies from  
20 public or private sources for restricted or unrestricted purposes.  
21 Such funds as are received shall be deposited to the appropriate  
22 account of the College. Expenditures shall be made from the fund  
23 only for the purposes of this act and in accordance with such  
24 conditions as may be attached to the gift, donation, endowment or  
25 grant; PROVIDED that such expenditures shall be made in accordance with

1 the budget approved by the Board. The College is authorized to deposit  
2 the funds in a banking institution approved by the Board.

3 Section 27. Financial management. The Board at its discretion  
4 shall:

5 (1) Enter into and perform such contracts, leases,  
6 cooperative agreements, or other transactions as may be necessary in  
7 the conduct of its business and on such terms and conditions as it may  
8 deem appropriate, including contracts to perform organized research,  
9 training, and demonstrations on a reimbursable basis;

10 (2) Receive, manage, and invest monies, and receive and  
11 manage other property, real, personal or mixed, tangible or  
12 intangible, or services which may be appropriated, or in any manner  
13 received from any source for the purposes of the College, its  
14 improvement or adornment, or for the aid to the students or faculty  
15 of the College, and in general to act as trustee on behalf of the  
16 College for such purposes or objects;

17 (3) Approve rates of per diem and policies relating  
18 thereto for officials, faculty members, and other employees of the  
19 College; and

20 (4) Approve such rents, fees and charges, as the Board  
21 deems appropriate, for the private use of facilities of the College  
22 or services provided by the College.

23 (5) Accounting and financial reporting. The Board shall be  
24 responsible for ensuring that the College develops, implements, and  
25 maintains, in accordance with generally accepted accounting



1 principles, accounting and record-keeping, financial reporting, and  
2 financial management systems which provide for full disclosure of the  
3 results of financial operations, adequate financial information needed  
4 in the management of operations, and the formulation and execution of  
5 the annual budget adopted by the Board. Such systems shall ensure  
6 effective control over income, expenditures, funds, property and other  
7 assets of the College and be designed to prevent the misappropriation  
8 of funds. Records relating to the financial transactions of the  
9 College shall be maintained for at least 5 years.

10 (6) Limitations on authorized expenditures. Unless  
11 otherwise specifically authorized by the Board, no officer or employee  
12 of the College shall make or otherwise authorize an expenditure from,  
13 or create or authorize an obligation of, funds of the College:

14 (a) After the period of time available for obligation  
15 and expenditure as provided by the Board;

16 (b) In excess of the sum approved by the Board;

17 (c) In advance of the availability of funds; or

18 (d) For purposes other than those for which an  
19 expenditure or obligation has been authorized by the Board.

20 (7) Any person who shall knowingly and willfully violate  
21 this section shall be personally liable for the resulting deficiency  
22 and shall be subject to criminal prosecution.

23 (8) The Board may require that any officer of the Board or  
24 any official or employee of the College furnish a bond of a kind and  
25 in an amount required by the Board.

1       Section 28. Reports and auditing procedures.

2               (1) The Board shall provide to the President and the  
3 Congress of the Federated States of Micronesia by April 1 of each year  
4 or as soon as practicable thereafter, an annual report concerning the  
5 activities, programs, progress, condition, and financial status of the  
6 College in the fiscal year most recently completed. The annual report  
7 shall provide comprehensive financial information which accounts for  
8 the use of all funds available to the College from the National  
9 Government or otherwise and which shall be prepared in accordance with  
10 generally accepted accounting principles. The annual report shall  
11 also describe implementation of the College's long-range plan and  
12 include information on student enrollment, costs per component and per  
13 student, and the status of students who graduated from or terminated  
14 studies at the College.

15              (2) The Board shall request and utilize the Public Auditor  
16 who shall inspect and audit all accounts of the College at least  
17 annually and report thereon to the Board and to the National Govern-  
18 ment of the Federated States of Micronesia. For the purposes of this  
19 paragraph, audit means financial, compliance, program results, and  
20 economy and efficiency audits, including determinations as to whether  
21 the College has met the requirements set forth in this act and  
22 determinations as to the propriety of the financial transactions of  
23 the College. The Board of Regents and officials, faculty, and other  
24 employees of the College shall cooperate fully with the audit  
25 officials to enable them to fully discharge their responsibilities,

1 and provide such audit officials access, without cost and during  
2 normal working hours, to all personnel, records, documents, working  
3 papers, automated data, files, and other information such audit  
4 officials deem relevant to their work.

5       Section 29. Exemption from taxation. The College and its  
6 assets, revenues, income, and property shall be exempt from all direct  
7 taxes imposed by the National Government, including any taxes, customs  
8 duties, or import and export taxes, fees or charges imposed by the  
9 National Government on the importation, acquisition, or exportation of  
10 equipment and supplies required by the College for official  
11 functions. The tax exemptions provided for in this paragraph shall  
12 not be for the benefit of any officer, official, faculty member,  
13 employee, student, or other individual associated with the College and  
14 the College shall be liable for employer's contributions to any social  
15 security or pension system of the National Government in the manner  
16 provided by law. For purposes of all types of registration and  
17 license fees, sales taxes, and other charges and fees included in  
18 prices of equipment, goods and services, the College shall be treated  
19 as an agency or instrumentality of the National Government.

20       Section 30. Periodic survey. The Board shall periodically cause  
21 an independent survey to be conducted among students and faculty of  
22 the College evaluating the quality of administration, quality of  
23 course instruction, the effectiveness of faculty, and such other  
24 matters as the Board may deem appropriate. Such an independent survey  
25 shall be conducted within 2 years after the date this act takes effect



1 and shall be done every 3 years thereafter, or as required by the  
2 accreditation standards set by the Western Association of Schools and  
3 Colleges. The Board shall transmit a copy of the results of the  
4 survey to the President and the Congress of the Federated States of  
5 Micronesia and to the Governors of the States of the Federated States  
6 of Micronesia within 60 calendar days of the completion of the survey.

7 Section 31. Professional licensure. The Board shall establish  
8 minimum standards and qualifications for members of the faculty of the  
9 College comparable to standards and qualifications of colleges of like  
10 stature or as otherwise appropriate to the College's circumstances.

11 Section 32. Applicability of laws. Laws and regulations of the  
12 National Government of the Federated States of Micronesia and its  
13 political subdivisions shall apply to the College.

14 Section 33. Successor in interest. The College of Micronesia -  
15 FSM as the successor in interest to the Community College of  
16 Micronesia shall assume all contractual duties, obligations, and  
17 liabilities for contracts entered into by the Community College of  
18 Micronesia prior to the effective date of this act.

19 Section 34. Taking effect. This act shall take effect on  
20 October 1, 1992.

21

22

23

24

25



PUBLIC LAW 7-184

1 Section 35. Effective date. This act shall become law upon  
2 approval by the President of the Federated States of Micronesia or  
3 upon its becoming law without such approval.

4 Sept. 25, 1992

5  
6 for Jacob Hea  
7 Bailey Olter  
8 President  
9 Federated States of Micronesia  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

