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Committee or Working Group:	Finance Committee
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Date: April 21, 2010	Time: 2:00 pm to 4:00 pm	Location: Board Conference Room
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Members Present: 12 (55%)	Members Absent: 10 (45%)
<ul style="list-style-type: none"> ▪ Danny D, Comptroller ▪ Eddie H, FAO Director ▪ Rafael P, Bus. Div. Rep. ▪ Jean T, VPIA ▪ Doman D., SC Accountant ▪ Pelma P., Bus. Office Mngr. ▪ Ringlen R, VPSS ▪ Jim C, VPCRE ▪ Joe H, VPA ▪ Penny W, Pni Director ▪ Rencelly N. HRO Director (rep. by Salpasr Tilfas) ▪ Jimmy H., IRPO Director (rep. by Releigh Welley) 	<ul style="list-style-type: none"> ▪ Debra P., Faculty Rep SC ▪ Matthias E, FMI Director ▪ Trisha Johnson. Student Rep ▪ Ray Vergin, Faculty Rep NC ▪ Kalwin K, Ksa Director ▪ Jojo P., Chk, Director ▪ Kimberly A, Student Rep. ▪ Sean Kadangged, Student Rep. ▪ Lourdes R, Yap Director ▪ Gordon Segal, IT Director

Additional Attendees:	<ol style="list-style-type: none"> 1. Salpasr Tilfas representing Rencelly Nelson 2. Releigh Welley representing Jimmy Hicks
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<ol style="list-style-type: none"> 1. <u>Roll call and declaration of quorum</u> The chairman welcomed all attendees and called the regular meeting to order at 2:15 pm on April 21, 2010 at the Board Conference Room. Twelve (12) members were present and (10) Fifteen members were absent. With 55% present members, the body can adopt a motion. 2. <u>Discussions re: Trade Desk Financial Corp. (TDFC)</u> The Chairman opened the discussion by presenting the email communication from TDFC regarding their response on the clarifications requested by the college. The committee

discussed the contents of the email from TDFC, the events and circumstances that transpired with TDFC, Investment Consultant and the college. After the discussion, the committee agreed to make a resolution to stop pursuing any transactions with TDFC.

Penny moved and Rafael seconded to recommend to the president to stop pursuing the transaction with Trade Desk. The motion passed unanimously.

3. Fiscal Policies

The Chairman presented the binder of the existing fiscal policy manual (FPM). The chair made a note that FPM policies are compilations of hard copies of policies and procedures since 1994. The chair advised that FPM needs to be organized, reviewed, updated and presented in electronic format. The plan of action of how to handle the process of organizing and reviewing FPM, and the initial draft of what has been done were presented by the chair.

Jim Currie moved and Ringlen seconded the motion to adopt the plan of action presented by the chair in organizing and updating the FPM. The motion passed unanimously.

The chair suggested that if a policy for a certain topic has passed the approving process, it will be uploaded right away at the Business Office website for use by the college even other topics are still being reviewed. Rafael raised the issue of possible conflicts of policies if the whole FPM has not been fully completed. The chair clarified that conflicts will not exist because FPM will be organized according to topic/subject.

Jim Currie pointed that the committee should be aware of terminologies in terms of policies, directives and instructions.

The committee noted that the task will require time to be completed. The committee agreed that a full time person is needed in order to complete the task without delay. Jim Currie requested the chair to present on next meeting the timeline and the support needed to complete the task.

Jim Currie moved and Ringlen seconded the need to hire someone on special contract to help in the completion of the task. The motion passed unanimously.

4. Excess Revenue Request from Pohnpei Campus

Penny discussed the request for supplemental budget for special contracts for instructional, claim of prior year for overloads for mentoring Teaching Assistant, and the needed matching fund for the OMIP.

The chair presented the worksheet of Pohnpei campus data on revenue for fall 2009 and spring 2010. The worksheet indicates excess revenue of \$30k. Per policy, only 50% or \$15k can be requested from excess revenue.

The committee's discussions on the request are as follows:

1. \$1,500 - to supplement the summer special instructional

Jim Currie moved and Ringlen seconded to recommend the request of \$1,500 to supplement the shortfall of special contracts for summer. The motion passed unanimously.

2. \$22,120 – claim from prior semesters representing overloads due to mentoring Teaching Assistant.

Penny discussed the request and noted that the claim was the result of paying one faculty with the same condition. It was noted that the interpretation of Jean has caused for additional obligations for faculty who are mentoring Teaching Assistants from prior semesters.

The committee engaged in a lively discussion on interpretations of related policies, the action taken on the same issue and in establishing the propriety of the claim. The chair presented the details of the claim, and the explanations provided by Pohnpei campus on how it was handled at state campus. The worksheet indicated that the faculty will have a load of 29 contact hours on one semester if the interpretation of Jean will be applied. The committee noted that this is unacceptable as the maximum load is only 21 contact hours.

Concern was raised by Jean whether finance committee is in a position to discuss and determine the validity of the obligations. The chair commented that in as much as request for funding is solicited, then validity of obligation must be first established.

Due to varying positions and opinions, the committee agreed to secure legal opinion on this matter. The legal opinion will be reviewed by the committee to determine the appropriate action on this claim and as a guideline for the future.

Salpasr moved and Ringlen second the motion to secure a legal opinion. The motion passed unanimously. The Committee tasked the VPA to discuss the matter with the college's lawyer and secure a legal opinion.

3. \$25,000 - matching fund for one-year (the first of the two years proposed) of OMIP Matching Grant

Penny discussed the funding request for matching fund. The comptroller advised that the required matching fund is \$35,000. However, Pohnpei campus has already committed to shift \$10,000 of salaries under the regular budget as in kind contribution. Thus, the needed matching fund is only \$25,000.

The requested funding is from excess revenue. However, when it was noted by the committee that the requested matching fund is for fiscal year 2011 and the excess revenue to be tapped is fiscal year 2010, the committee agreed that the request should not be under the excess revenue. Thus, the committee suggested to Penny to request it under fund balance.

Penny responded to Joe H. query that the previous matching funds were likewise secured from fund balance.

After discussions, Jim Currie moved and Ringlen seconded to recommend the funding of \$15,000 from fund balance, and for Pohnpei campus to find funding from the regular budget for the \$10,000. The motion passed unanimously.

With no other matters to be discussed, Eddie moved and Penny seconded to adjourn the meeting. The meeting was adjourned at 4:20 pm

Next FC Regular Meeting: Next Finance Committee Meeting would be May 19, 2010 Wednesday at 2:00 pm.

Handouts/Documents for the Meeting: (Emailed)

- Excess Revenue Request Work Sheet
- Fiscal Manual Plan of Action

Motion Adopted by Finance Committee

Item	FC Vote/ Remarks	President Approval/ Disapproval
1. Penny moved and Rafael seconded to recommend to the president to stop pursuing the transaction with Trade Desk.	Passed unanimously	
2. Jim Currie moved and Ringlen seconded the motion to adopt the plan of action presented by the chair in organizing and updating the FPM.	Passed unanimously	
3. Jim Currie moved and Ringlen seconded the need to hire someone on special contract to help in the completion of the task.	Passed unanimously	
4. Jim Currie moved and Ringlen seconded to recommend the request of \$1,500 to supplement the shortfall of special contracts for summer.	Passed unanimously	
5. Salpasr moved and Ringlen second the motion to secure a legal opinion.	Passed unanimously	
6. Jim Currie moved and Ringlen seconded to recommend the funding of \$15,000 from fund balance, and for Pohnpei campus to find funding from the regular budget for the \$10,000.	Passed unanimously	

Prepared by:

Date Distributed:

Adoption of Minutes by FC & Responses: