

Hi Colleagues:

At the meeting, the following recommendation was submitted for adoption to reduce the deficit and balance the FY 2009 budget:

The VPA moved and the VPSS seconded, and members present in the meeting unanimously endorsed the following action item for adoption by Finance Committee:

- **To continue the policy on freezing reprogramming up to the end of fiscal year.**
- **To freeze the procurement of fixed assets (computer, equipment and furniture and fixtures) effective immediately and until the end of fiscal year.**
- **To implement an across the board cut of 50% from supplies, printing and reference materials budgets based on the available balance as of July 31, 2009.**
- **To institute a tighter review process by directors and vice – presidents on all disbursements for staff development, repairs and membership dues budgets.**

Below are the minutes of meeting.

Please transmit your electronic vote for the adoption of the above action item and for the minutes of meeting. Thanks,

Danny

**College of Micronesia – FSM
Minutes of Meeting – Finance Committee**

Date:	Time:	Location:
July 9, 2009	3:00pm to 4:45pm	Board Conference room

Members Present/Absent:			
Title/represents	Name	Present	Absent
Comptroller*	Danny Dumantay	x	
VPIA	Jean Thoulag		x
VPSS	Ringlen Ringlen	x	
VPAS	Joe Habuchmai	x	
VPCRE	Jim Currie	x	
Director, IRP	Jimmy Hicks		x
Director, Human Resources	Rencelly Nelson	x	
Director, Chuuk Campus	Joakim Peter		x
Director, Kosrae Campus	Kalwin Kephass		x
Director, Pohnpei Campus	Penny Weilbacher		x
Director, Yap Campus	Lourdes Roboman		x
Director, FSM FMI	Matthias Ewarmai		x
Business Office Manager	Pelma Palik		x
Director, FAO	Eddie Haleyalig		x
Accounting/Finance Instructor	Rafael Pulmano	x	
Faculty Rep (NC)	Ray Verg-in		x
Faculty Rep (SC)	Debra Perman		x
State Campus Accountant	Doman Daoas	x	
Student Rep	Kimberly A.	x	
Student Rep	Vacant		x

Note: With 40% attendance, the committee can proceed with the discussion. Any action items are to be referred to the whole committee for adoption.

Additional Attendees: None

Agenda/Major Topics of Discussion:

- 1. Presentation of the analysis of considering personnel budgets (salaries, benefits and housing) in balancing FY 2009 budget.**
- 2. Suggestions to further reduce deficit and balance FY 2009 budget.**
- 3. Other items.**

Discussion of Agenda/Information Sharing:

1. Presentation of the analysis.

- **The Chair presented the analysis of considering personnel budgets in balancing FY 2009 budget. Based on the analysis, the actual revenue from tuition and fees is short by \$921k, from \$6.986 Million to \$6.065 Million. The shortfall is due to low enrollment at Chuuk, National, Kosrae and Yap campuses compared to projected enrollment. Only Pohnpei campus reflected an overage from the projected enrollment. Below is the composition of the revenue shortfall of \$921k:**

- National campus – (\$229k)
- Pohnpei campus – \$163k
- Chuuk campus – (\$583k)
- Kosrae campus – (\$178k)
- Yap campus – (\$94k)

- **The analysis of personnel budgets for salaries, benefits and housing indicated that the calculated unused budgets at the end of fiscal year 2009 is \$736k, consisting of the following:**
 - Salaries - \$529k
 - Housing - 164k
 - Benefits - 43k
 - \$736k**
- **The deficit is projected to drop from \$921k to \$186k as a result of the unused budgets from personnel.**

2. Actions to be taken to further reduce the deficit by \$186 to balance FY 2009 budget.

- **The committee reviewed the non-personnel budget to further reduce the deficit. The chair provided the details of non-personnel budgets for committee's reference. The non – personnel budget represents \$865k or 23% of the total available budget as of June 01, 2009.**
- **The members present in the meeting noted items that can possibly reduce the deficit:**
 - **The timing in the hiring of new employees would increase the unused budgets from personnel thus will contribute to the reduction of the deficit.**
 - **The balance from Insurance budget of \$20k will reduce the deficit.**
 - **The conservation of utilities and fuel will help in the reduction of the deficit.**
- **The members present in the meeting unanimously recommended the following resolution for adoption:**
 - 1) To continue the policy on freezing reprogramming up to the end of fiscal year.**
 - 2) To freeze the procurement of fixed assets (computer, equipment and furniture and fixtures) effective immediately and until the end of fiscal year.**
 - 3) To implement an across the board cut of 50% from supplies, printing and reference**

materials budgets on the available balance as of July 31, 2009.

4) To institute a tighter review process by directors and vice – presidents on all disbursements for staff development, repairs and membership dues budgets. The resolution was moved by VPA and seconded by VPSS.

Comments/Upcoming Meeting Date & Time/Etc.:
 Next regular meeting is on August 06, 2009 at 3:00 pm.

Handouts/Documents Referenced:

- Power point presentation of the analysis
- Worksheets on analysis of personnel budgets
- Worksheets of non – personnel budgets

Prepared by:	Doman Daoas, Secretary	Date Distributed:	
---------------------	---------------------------	--------------------------	--

Approval of Minutes Process & Responses:

- Emailed on July 13, 2009 for review and electronic vote

Submitted by:		Date Submitted:	
----------------------	--	------------------------	--

Summary Decisions/Recommendations/Action Steps/Motions with Timeline & Responsibilities:	
Action by the President:	
<p>Action Item No. 1:</p> <p>The members present in the meeting unanimously recommended the following resolution for adoption:</p> <ul style="list-style-type: none"> • To continue the policy on freezing reprogramming up to the end of fiscal year. • To freeze the procurement of fixed assets (computer, equipment and furniture and fixtures) effective immediately and until the end of fiscal year. • To implement an across the board cut of 50% from supplies, printing and reference materials budgets on the available balance as of July 31, 2009. • To institute a tighter review process by directors and vice – presidents on all disbursements for staff development, repairs and membership dues budgets. <p>The resolution was moved by VPA and seconded by VPSS.</p>	<p>Approved: _____</p> <p>Disapproved: _____</p> <p>Approved with Conditions: _____</p> <p>Comments:</p>