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# **1.0 BUDGET PLANNING AND ADMINISTRATION**

## **BUSINESS FINANCE 1.1 THE FINANCE COMMITTEE**

### **Policy:**

As a subcommittee of the Planning and Resources Committee, the Finance Committee operates through the authority of and reports to the President through the chairperson of the Planning and Resources Committee. Recommendations from the committee are submitted through the chairperson of the Planning and Resources Committee to the President for action.

The Finance Committee advises the President on matters relating to fiscal management of the College.

### **Purpose:**

The purpose of this policy is to define the authority, functions and structure of the Finance Committee.

### **Application:**

This policy shall apply to the whole community of the COM-FSM.

### **Functions and Responsibilities:**

The Finance Committee serves as the President's fiscal management team and acts as advisory body to the President and all matters relating to fiscal management, policies and procedures of the COM-FSM. Specifically, it shall have the following responsibilities:

- Assists the Planning and Resources Committee in the development of the recommended budget for the COM-FSM;
- Formulation and recommendation of tuition fees and other fees charged by the College;
- Formulation and revision of fiscal policies and procedures;
- Recommendation for opening of new bank accounts;
- Review and recommendation of the action items for the use of fund balance and/or excess revenue; and
- Other fiscal matters referred by the College community

**Membership:**

The Comptroller of the COM-FSM shall chair the Finance Committee. Its membership shall be composed of the following:

- All the Vice-Presidents
- All the Directors of the State Campuses
- Director of Institutional Research and Planning
- Director of Human Resources
- Director of the Information Technology
- Business Office Manager
- Coordinator of Financial Aid Office
- State Campuses Accountant
- Accounting/Finance Instructor
- Two Faculty Representatives, at least one should come from any of the State Campuses
- At least two student representatives

Refer to the Terms of Reference for the details of the operating guidelines of the Finance Committee.

**References:**

Terms of Reference of the Finance Committee as adopted in December, 2009.

## **BUSINESS FINANCE 1.2 BUDGET PREPARATION AND APPROVAL**

### **Policy:**

Following the Policy of the College of Micronesia-FSM of promoting shared governance environment, the Budget Preparation shall also adopt the same. Thus, all key personnel of the College shall be involved in its preparation. The Planning and Resources Committee shall be in-charge in the review and consolidation of the college's budget.

### **PURPOSE :**

**The purpose of this policy is to define the process flow of the Budget Preparation and Approval and identify the different entities involved in the process to ensure the development of an effective budget for the whole College.**

### **APPLICATION :**

**This policy applies to all organizational units of the College.**

### **RESPONSIBILITY :**

**The Finance Committee has the over-all responsibility to implement this Policy.**

### **PROCEDURES :**

- 1. Starting April, the Finance Committee shall develop the Budget Guidelines for the ensuing year for approval of the Board. The Budget Guidelines shall contain among others the following:**
  - Statement of the general direction of the College**
  - The process flow as regards to the budget preparation and the parties involved in the consolidation including timeline**
  - Guidelines in estimating expenses for the year**
  - Revenue Projection/Assumption, including the assumed budget that will be provided by the FSM government**
  - Resource Allocation**

2. **The Budget Guidelines prepared by the Finance Committee shall be reviewed by the Cabinet and presented to the Board of Regents for final approval.**
3. **All divisions of the College, including the campuses, shall then prepare their own budgets and submit them to their respective Vice Presidents. The Vice Presidents shall conduct its own hearings to evaluate the budgets submitted.**
4. **The consolidated budgets for each group shall be submitted to the Finance Committee for final review and consolidation. The Finance Committee shall ensure that the Guidelines issued were followed.**
5. **The COM-FSM Budget after passing thru the review process of the Finance Committee, shall be forwarded to the Cabinet for review and approval and finally to the COM-FSM Board of Regents.**
6. **The approved budget is then forwarded to the FSM President for review of the President's Budget Review Committee and for submission to the FSM Congress as part of the FSM National Government budget.**

#### **RESPONSIBILITIES:**

**Finance Committee – formulates the Budget guidelines; reviews and consolidates the COM-FSM Budget for submission to the cabinet.**

**Departments – formulates their own budget**

**Vice Presidents – reviews and consolidates the budget under their jurisdiction.**

**Cabinet – reviews and recommends approval of the COM-FSM budget.**

**COM- Board of Regents – approves the COM-FSM budget.**

#### **REFERENCES:**

**Budget Guidelines for Fiscal Year 2008**

**Terms of Reference of Finance Committee adopted in June 16, 2005**



## BUSINESS FINANCE 1.3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

### POLICY :

The Allowance for Uncollectible (Doubtful) Account shall be considered in the preparation of the budget. The same shall be calculated in an amount equivalent to 100% of the prior year Accounts Receivable and 8% of the current year Accounts Receivable from Students composed of tuition, room and board.

The entry to record estimated uncollectible accounts is:

Debit:	Bad Debts Expense	\$XXX	
Credit:	Allowance for Doubtful Accounts	\$XXX	

When an account is determined to be uncollectible, the entry to record the write-off of the account receivable is:

Debit:	Allowance for Doubtful Accounts	\$YYY	
Credit:	Accounts Receivable		\$YYY

As long as the Allowance for Doubtful Accounts has a balance sufficient to cover all accounts receivable write-offs, no additional charges will be recorded to Bad Debts Expense (until the annual entry is recorded).

If the Comptroller deems the balance in the Allowance for Doubtful Accounts sufficient to absorb all potential write-offs for a particular fiscal year, an entry does not have to be recorded.

### PURPOSE :

The purpose of this policy is to set the guidelines on determining the amount to be set up to cover doubtful accounts and the corresponding entries to use.

### APPLICATION :

This policy applies to the Business Finance Office and the Finance Committee who are in charge in maintaining the Books of Accounts of the College and the evaluation of the budget, respectively.

### PROCEDURES :

1. During the budget preparation stage, the Business Finance Office shall determine the prior and the current years Accounts Receivables. On the basis of this, the Allowance for Doubtful Account shall be determined and shall be included in the budget provision.
2. Every fiscal year, the Business Finance Office shall analyze the Accounts receivables. For Accounts Receivables which the Business Finance Office deems to be uncollectible

anymore, a recommendation for its writing off shall be done to the Vice President for Administration for approval. This is normally the accounts whose age are at least five years.

3. As soon as the approval is received, the writing off is effected. Corresponding subsidiary ledger accounts are transferred to another record for future reference.

#### **RESPONSIBILITIES :**

**General Accountant - responsible in monitoring the account**

**Comptroller - responsible in analyzing and determining accounts for write off**

**Vice President for Administration - responsible in the approval of the requests for write-offs.**

#### **DEFINITION OF TERMS :**

**Allowance for Doubtful Account - a valuation account that represents the cumulative amount of past accounts receivable that the College estimates to be uncollectible but has not written off.**

**Writing Off - To charge an asset (in this particular instance, the Accounts Receivables) amount to expense or loss, in order to reduce the value of that asset and one's earnings. Simply put, a cancellation of an account in the books.**

#### **REFERENCE:**

**August 19, 1995, Memorandum to President from. Comptroller, "Accounting for Uncollectible Accounts expense**

**August 6, 1994, Memorandum to President from Comptroller, "FY 1995 Allowance for Doubtful Accounts"**

**April 13, 1994, Memorandum to President from Comptroller, "Annual Bad Debt Expense"**

**[www.answers.com](http://www.answers.com);**

**[www.investorsword.com](http://www.investorsword.com)**

## **BUSINESS FINANCE 1.4 BUDGET REPROGRAMMING**

### **POLICY :**

**Budget Reprogramming shall be allowed for amounts not exceeding 25% of the total budget of the requisitioning Department or Campus.**

**None of the restrictions on appropriated funds for the College specified in FSM Budget Act are applicable to the College's appropriation for operations. However, the guidelines in the FSM budget act do apply to reprogramming of the Board of Regents funds.**

### **PURPOSE :**

**This Policy defines the procedure to be followed when departments/campuses deem it necessary to reprogram some of its budget from one line item to another.**

### **APPLICATION :**

**This Policy applies to all organizational units of the COM-FSM.**

### **PROCEDURES :**

- 1. Requests for reprogramming (using the Budget Reprogramming Form) shall be submitted to the Comptroller by the different department /campus heads and endorsed by their respective Vice Presidents. The Comptroller then determines whether the request is within the 25% guideline.**
- 2. Should the Comptroller find the request **within the allowable limit**, the request is forwarded to the Vice President for Administration for endorsement to the President.**
- 3. The request is then submitted to the President who makes the final decision based on the **justification of the Vice Presidents concerned and the recommendation of the Vice President for Administration.****

### **RESPONSIBILITIES :**

**Campus/Division Heads - responsible in accomplishing the reprogramming requests and in ensuring that the reprogramming request is for the best interest of the COM-FSM**

**Comptroller - responsible in monitoring the requests within the 25% reprogramming guidelines and in accordance with applicable financial management policies and guidelines**

**Vice President for Administration - responsible for the endorsement of the requests to the President**

**President - responsible for the approval of the request**

**DEFINITION OF TERMS :**

**Budget Reprogramming - the act of reallocating funds from one budgetary activity to another.**

**REFERENCE :**

**BOR Meeting Minutes, September 2002**

**Actions and Directives, September 1998, BOR Meeting**

**Actions and Directives, December 1-4, 1997, BOR Meeting**

**Letter to Director of Research and Planning from FSM Asst. Attorney General, General Robert J. Ritchie, March 19, 1997**

## **BUSINESS/FINANCE 1.5 INCREASE IN APPROVED BUDGET EXPENDITURES**

### **POLICY :**

**A campus may request the use of up to 50% per semester of additional revenue generated above the budgeted revenue. All requests will be reviewed on an individual basis by the Finance Committee and Cabinet and approved as follows:**

- \$50,000 and less - President**
- More than \$50,000 - Board of Regents through the President**

### **PURPOSE :**

**To define the approving limits for the authority to use revenue generated in excess of the budgeted for the current year.**

### **APPLICATION :**

**This applies to all revenue generating entities of COM-FSM.**

### **PROCEDURES :**

- 1. The Business Finance Office, on a regular basis, shall prepare a report of all generated income per revenue centers.**
- 2. A particular Department or Campus who exceeds its budgeted revenue, may apply in writing for an increase in approved budgeted expenditures. The respective Vice Presidents, stating therein the purpose of the increase in budget, shall properly endorse the same.**
- 3. The Comptroller shall review the request and verify the increase in the budgeted revenue. The Comptroller shall certify the excess in the budgeted revenue and endorse the request to the Finance Committee.**
- 4. The Finance Committee shall review the request and recommend for approval the request to the President or the Board of Regents, depending on the amount to be allocated as stated in the policy.**

**RESPONSIBILITIES:**

**Comptroller - certifies the revenue generated by the requisitioning department/campus**

**Vice Presidents concerned – reviews and endorses requests to the Finance Committee**

**Finance Committee - reviews the request and recommend its approval**

**President - approves the request as endorsed by the Finance Committee for amount less than \$50,000.**

**Board of Regents - approves the request as endorsed by the Finance Committee for amount exceeding \$50,000.**

**DEFINITION OF TERMS :**

**Excess in Budgeted Revenue - this happens if the actual revenue realized exceeds the targeted revenue as reflected in the approved budget.**

**Increase in Budgeted Expenditures - the authority to allocate the excess budgeted revenue to a particular budgetary line item.**

**REFERENCE :**

**Minutes of the May 1999 meeting of the Board of Regents and amended by the Board of Regents Meeting in May 2004.**

## **BUSINESS/FINANCE 1.6 : USE OF POSITIVE FUND BALANCE**

### **POLICY :**

**A positive fund balance at COM-FSM can be utilized for a special expenditure only in the case of rare and exceptional needs and only depending on the availability of cash to cover the expenditure. Any such special funding item must be approved on an individual basis by the College's Finance Committee and the Cabinet and approved as follows:**

- **\$50,000 and less - President**
- **More than \$50,000 - Board of Regents through the President**

### **PURPOSE :**

**To define the authority limits in the approval of request of use of positive fund balance.**

### **APPLICATION :**

**This policy applies to all.**

### **PROCEDURES :**

- 1. When exceptional needs occur and the same is not provided in the current budget, the heads of the different units of the College may request in writing to the President thru the respective Vice Presidents for an allocation of additional budget.**
- 2. The Comptroller shall certify the availability of positive balance and endorse the same to the Finance Committee.**
- 3. The Finance Committee shall evaluate the request and endorse its approval to the President or the Board of Regents, depending on the amount involved. The approval of which shall be on a per project basis.**

### **RESPONSIBILITIES :**

- **Requisitioning Unit - the entity in charge in identifying a special requirement and justifying the same for approval of the President thru the Vice Presidents concerned.**
- **Vice Presidents concerned – reviews and endorses request to the President**

- **Comptroller** - certifies the availability of positive balance
- **Finance Committee** - evaluates request and recommends approval
- **President** - approves the project requiring the funding and the reallocation of the positive balance in the amount not exceeding \$50,000.
- **Board of Regents** - approves the reallocation of the positive balance for amounts exceeding \$50,000.

**DEFINITION OF TERMS :**

**Positive Balance** - the savings generated by the College during the prior year.

**REFERENCE :**

**Minutes from the May 2000 Meeting of the Board of Regents and amended by the Board of Regents Meeting in May 2004.**



## 2.0 FUNDS

## **BUSINESS FINANCE 2.1 SOURCES OF FUND**

### **POLICY :**

The COM-FSM shall derive its funds from three major sources namely:

- **FSM annual appropriation** – these are funds coming from the Government of FSM, which is authorized through the Appropriation Act.
- **Tuition and other fees** – these are revenues received from students. However, except for a handful of students paying for their own education, most of these revenue is financed from different grants coming from US Federal Student Aid Program such as:
  - **Federal Pell Grant**
  - **Federal Supplemental Educational Opportunity Grant**
  - **Federal Work Study**
- **Other income** – the COM-FSM also receives funding from other grants in the form of indirect revenues, management fees or other grants created for specific purpose. Other income also includes revenues from private contracts, auxiliary enterprises (bookstore, cafeteria, etc.), and interest income.

Specific funds shall be maintained for specific purpose/source.

### **PURPOSE :**

The purpose of this section is to identify the different sources of funds of COM-FSM to support its set mission.

### **APPLICATION :**

This applies to all funds received by the COM-FSM.

### **DEFINITION OF TERMS :**

**Funds** - sum of money or other resources set aside for specific purpose

**Federal Pell Grant** - U.S. grant to help undergraduate students who have not earned a bachelor's or a professional degree pay the cost of post secondary education.

**Federal Supplemental Educational Opportunity Grant** – given to student with exceptional financial need who enrolled in college level program prior to June 25, 2004.

**Federal Work Study** – program, which provides for opportunity to apply for part-time employment and earn money to pay for their educational cost.

**Auxiliary Services – these are other services offered by the College, which are self-supporting.**

**REFERENCES :**

**COM-FSM General Catalog 2005-2007**

**COM-FSM Institutional Self-Study for Reaffirmation of Accreditation and Application for Candidacy 2004**

**[www.thefreedictionary.com](http://www.thefreedictionary.com)**

## **BUSINESS FINANCE 2.2 FUNDS MAINTAINED**

### **POLICY :**

The COM-FSM shall maintain different types of funds. The College shall maintain five major funds as follows:

- **General Fund/Unrestricted Fund (Fund 101) – this fund supports the general operation of the College. This fund comes from income from tuition and other fees, appropriation from FSM and such other income generated by the College**
- **State Campus Fund (Fund 151) – this fund is a special fund taken out from the General Fund and is specifically intended for the use of the State Campuses. Each Campus has its own specific fund.**
- **Endowment Fund (Fund 171) – this fund is classified as a restricted fund. This fund accounts for all donations received with the end-in-view of setting up a fund worth \$20M to support the operational and special needs of COM-FSM after 2017.**
- **Plant Fund (Fund 181) – this fund accounts for the acquisition, construction and maintenance of the COM-FSM physical plant.**
- **Restricted Fund (Fund 201) – this fund accounts for the funds coming from the U.S. Federal Government. No direct disbursements or charges are made against this fund.**

Under the General Fund and the State Campus Fund are special funds specially created for specific purpose as follows:

- **Change Fund – This fund is set up at the National Campus Business Office and Bookstores. The fund is specifically set up to make available some loose change. The fund is set at a maximum of \$300.**
- **Imprest Fund – These are funds set up at the campuses of Chuuk, Yap, Kosrae and FMI to answer for small purchases. Disbursements out of this fund shall be done thru checks. This fund is set at \$5,000 for Yap, Kosrae and FMI and \$10,000 for Chuuk.**
- **Petty Cash fund – These are funds set up to finance purchases of not more than \$50 for the Pohnpei Campus and \$100 for the National Campus. This is set up at the National Campus and Pohnpei Campus and is set at \$2500 and \$500, respectively.**

### **PURPOSE :**

The purpose of this policy is to define the different funds maintained by the College and the purposes for which they are maintained/set up.

### **APPLICATION :**

This policy shall be applicable to the entire COM-FSM community.

**PROCEDURES :**

- 1. Based on the judgment of the Comptroller, Funds may be recommended for creation. The same shall be reviewed by the Finance Committee and recommended for approval to the Board of Regents.**
- 2. The source where fund would come from shall also be identified including the maximum amount to be maintained.**
- 3. Upon approval of the setting up of the Fund, specific policies on the disbursements out of the fund shall be defined.**

**RESPONSIBILITIES :**

- Comptroller – recommends setting up of a Fund if need be.**
- Finance Committee – to evaluate recommendation of the Comptroller and set up the policies to be used in the maintenance of the Fund.**
- Board of Regents - approves the recommendation**

**REFERENCE :**

**COM-FSM Institutional Self-Study for Reaffirmation of Accreditation and Application for Candidacy 2004**

## **BUSINESS FINANCE 2.3 : SEPARATION OF RESTRICTED AND UNRESTRICTED FUNDS**

### **POLICY:**

A separate checking account will be established which will be for all restricted (grant) funds with the exception of Pell Grant, SEOG, and College Work Study funds.

The purpose of establishing this account is to properly segregate Current Restricted funds from Current Unrestricted funds and to implement better internal controls and proper compliance with financial reporting requirements.

Expenditures will be made through the normal procedure using the cash from the Current Unrestricted Fund. Monthly transfers are to be made from the Current Restricted Fund to cover expenditures made for restricted programs during the month from the Current Unrestricted Fund. Monthly reconciliations will be prepared to enable an accurate accounting for each grant.

### **PURPOSE :**

The purpose of this is to set the policy for the management of the different funds.

### **APPLICATION :**

This policy shall apply to all funds being maintained and to be maintained by the College.

### **PROCEDURES :**

- 1. Funds received from the U.S. Federal Government are deposited in the Restricted Fund.**
- 2. The Financial Aid Office informs the Business Office on the list of students and the corresponding approved grants.**
- 3. Total amount is drawn out from the Restricted Fund and transferred to the Unrestricted Fund.**

### **DEFINITION OF TERMS:**

**Unrestricted Current Fund** - used to account for transactions related to the primary and supporting missions of an educational institution. Assets of the Unrestricted Current Fund include all resources that are not restricted to use by either a donor or an external agency. Educational and general revenues (student tuition and fees, governmental appropriations, governmental grants and contracts, gifts and private grants, endowment income, and other sources) are recorded in the Unrestricted Current Fund. Expenditures related to the delivery of educational and support services (instruction, research, public support, academic support, student services, institutional support, operation and maintenance of plant, and student aid) are recorded in the Unrestricted Current Fund. Generally, auxiliary enterprises and hospitals are accounted for in

**the Unrestricted Current Fund while independent operations are accounted for in a Restricted Current Fund." (Governmental GAAP Guide, p. 31.44)**

**Restricted Fund - those funds available for financing operations but which are limited by donors or other external agencies to specific purposes, programs, or departments.**

**REFERENCE :**

**Recommended by Finance Committee (Minutes of April 13, 1994); approved by President 4/15/94**

## **BUSINESS FINANCE 2.4 FUNDS FROM THE FSM GOVERNMENT**

### **POLICY :**

**The College of Micronesia FSM shall draw funds from the Government of FSM. Said funds is authorized by an Appropriation enacted by the Congress of FSM.**

### **PURPOSE :**

**To define the steps in drawing down funds from the National Government.**

### **PROCEDURES :**

- 1. On the basis of the Appropriation, as enacted by the Congress of FSM, the Comptroller requests for release of allotment at the Department of Finance and Administration (DFA).**
- 2. From the DFA, an Advice of Allotment is received. The DFA informs the College thru the Comptroller the schedule of the release of allotment.**
- 3. The DFA transfers fund to the account of the COM-FSM maintained at the Bank of FSM and consequently informs the Comptroller.**
- 4. Comptroller inquires from the Bank of FSM the transfer of fund.**
- 5. The receipt of fund in then recorded in the General Ledger.**

### **RESPONSIBILITIES :**

**Comptroller – monitors the release of allotment**

### **DEFINITION OF TERMS:**

**Appropriation Act – law enacted by Congress which authorizes the National Government to incur obligations and to make payments out of the National Treasury in accordance with law.**

**Allotment - delegation of authority to a person to create legally enforceable financial obligations in accordance with applicable law on behalf of the Federated States of Micronesia, within specified**



**limits set forth in an appropriation act of the Congress of the Federated States of Micronesia or as may be required by the terms of funding available from other sources.**

**REFERENCES**

**FSMC Title 55, Chapter 1**

**FSMC Title 55, Chapter 2**

## **BUSINESS FINANCE 2.5 PROCEDURES FOR DRAWING DOWN COMPACT FUNDS**

### **POLICY :**

**Draw down of Compact Funds shall be on a reimbursement basis. The following general principle shall be observed:**

- **Fund balances shall be taken into account when requesting for funds**
- **Cash balance covers only immediate needs**
- **Drawdown and disbursement of funds are tracked**
- **Disbursements should not exceed the authorized limits**

**The Grant Administration Payment System (GAPS), which could be accessed through <http://gapsweb.ed.gov> shall provide for the full financial management support services for the grant cycle.**

### **PURPOSE :**

**The purpose of this policy is to provide for guidance in the drawing of funds out of the Compact Funds thru the U.S. Federal Student Aid Programs.**

### **APPLICATION :**

**This policy shall apply to all grants under the U.S. Federal Student Aid Programs.**

### **PROCEDURES :**

#### **Pell Grant and FSEOG:**

- 1. Upon receipt of the list of students approved for the Pell Grant Scholarships, and SEOG from the Financial Aid Coordinator, the Business Office shall compute for the total Accounts Receivables of the students listed therein.**
- 2. Corresponding refund checks, if any are prepared and issued to the students concerned.**
- 3. Total amounts disbursed for the period are computed and the corresponding Fedwire Transfer Request (FTR) is prepared.**

#### **Other Grants :**

- 1. On a monthly basis, the total expenditures for each type of grant are determined.**

2. An Analysis of Federal Program Drawdown Report is prepared. This report provides for information on the available balance for drawdown for each type of grant.
3. A Fedwire Transfer Request is prepared per type of Grant

#### To Drawdown Funds:

1. The status of the Fund is inquired from the *e-payments* system of the GAPS.
2. Once the fund is ready for scheduling, a request for payment is created and confirmed.
3. Once confirmed, the corresponding fund is transferred to COM-FSM Restricted Account thru Fedwire Transfer.
4. The request for drawdown and the actual receipt of fund is recorded in the Books of Account.

#### RESPONSIBILITIES :

Comptroller – responsible in the managing and controlling of the Compact Funds

Financial Aid Coordinator – responsible for providing the Business Office information on all Grants approved.

#### DEFINITION OF TERMS:

Compact Funds – funding assistance from the U.S. Federal Government as part of the agreement under the Compact of Free Association entered into by and between the Federated States of Micronesia and the U.S. Federal Government.

Reimbursement Basis – a payment method under the GAPS wherein schools advance the disbursement to the students/or other beneficiaries before paying the corresponding amount.

Drawdown - the action by which the grantee (the state) accesses federal funds granted to it.

Fedwire Transfer - the electronic movement of funds on a real time basis from the payor bank to the payee bank via transfers between Federal Reserve Bank accounts. A FedWire transfer is initiated when the treasury manager instructs the college or university's disbursement bank to make a transfer. The bank confirms the institution's account balance; if sufficient funds are available, the bank debits the institution's account and credits the payee's account. This transaction is accomplished through one or more banks with the Federal Reserve acting as intermediary to assure absolute same day funding.

**REFERENCES :**

**[www.treasuryinstitute.org](http://www.treasuryinstitute.org)**

**GAPS Fiscal Officer Training – Participant’s Guide**

**<https://gapsweb.ed.gov>**

## **BUSINESS FINANCE 2.6 RECEIPT OF COLLECTION THRU THE COLLECTING OFFICER**

### **POLICY :**

All collections received at the Business Office shall be issued with an Official Receipt (OR) and deposited intact the following business day. The ORs shall be issued in numerical sequence and it is mandatory that all OR Nos. be accounted for.

A check and balance shall be instituted in the handling of cash. No employee shall have total control over cash without another employee verifying the amounts.

The responsibility on the Collection shall lie to the staff actually handling the money at the time of loss as follows:

- **Collection Staff – before the turn over of money to the Business Manager**
- **Business Manager – after receipt of money from the Collection Staff and before the turn over of money to the staff assigned to deposit**
- **Deposit Staff – after receipt of money from the Business Manager and before actual deposit is made in the bank.**

The Collections are grouped into 3 major categories and corresponding OR type is provided for each category:

- **General Fund Collections – these include the following:**
  - **Tuition Fee**
  - **Registration Fee**
  - **Technology Fee**
  - **Laboratory Fee**
  - **Late Registration Fee**
  - **Audit Fee**
  - **Student Activity Fee**
  - **Health Fee**
  - **Transcript Fee**
  - **Graduation Fee**
  - **Library Dues**
  - **Meal Tickets**
  - **Stamps**
  - **FSM receivables**
  - **Other related collections**
  
- **State Campus Fund – all collections pertaining to the campuses**
  
- **Endowment Fund – contributions and donations**

**PURPOSE :**

The purpose of this policy is to provide for guidelines in the handling of collections.

**APPLICATION :**

This policy shall apply to all collections being received by the Business Office.

**PROCEDURES :**

1. Upon receipt of payment, a corresponding Official Receipt shall be accomplished in 3 copies, distributed as follows:
  - a. Copy 1 – Payor
  - b. Copy 2 – Attached to the Collection Report
  - c. Copy 3 – stays on the booklet
2. Details of the collection shall then be recorded in the MIP System.
3. At the end of the day, the Unposted General Ledger Transactions – CR shall be generated.
4. All Collections for the day shall be duly accounted for and a Daily Cash Count Sheet (DCCS) shall be prepared.
5. The Business Manager shall verify the DCCS and the corresponding Deposit Slip is prepared. Separate Deposit Slips are prepared for each type of fund.
6. All collections for the day shall be placed inside the vault, duly acknowledged by the Business Manager.
7. The following banking day, the collections shall be deposited in the bank. The Business Manager turns over the money for deposit and the corresponding Deposit Slip to the staff assigned to do the deposit. The staff assigned shall acknowledge receipt in the Deposit Logbook. The deposit transaction is also recorded in the system.
8. All the supporting documents such as the Copy 2 of the ORs, Unposted General Ledger Transactions, DCCS and the deposit slip shall be attached in the Daily Cash Report.

**RESPONSIBILITIES :**

Collection Staff – responsible in the receipt of collection and its recording in the MIP System

**Business Manager - responsible for the verification and custodianship of all collections for the day.**

**Business Office Staff – responsible for the deposit of collection**

**REFERENCES :**

**Memorandum on Cash Procedures dated October 5, 2000**

## **BUSINESS FINANCE 2.7 PETTY CASH FUND**

### **POLICY :**

Petty Cash Fund shall be established for entities or projects that are expected to incur petty expenses and immediate processing is needed. For Petty Cash Funds established for a particular project, the same shall automatically be surrendered or closed once the project has been completed.

The Board of Regents upon the recommendation of the President shall approve the establishment of the Fund. The Finance Committee, upon the justification of the Division Heads, shall do initial evaluation. The criteria for the evaluation are:

- Urgency of the requirements
- Amounts involved are small

Each Petty Cash Fund established shall be governed by restrictions on where the Fund could be used.

### **PURPOSE :**

This policy is intended to set the guidelines in the establishment of the Petty Cash Fund.

### **APPLICATION :**

This policy applies to all divisions of the College.

### **PROCEDURES :**

1. Concerned Division Heads requests for the establishment of the Fund, addressed to the President thru the Finance Committee. The request shall contain the justification for the need to establish the Fund.
2. The Finance Committee shall evaluate the request and give its recommendation to the President. The Recommendation shall include the following information:
  - a. Amount to be established
  - b. Maximum Amount per transaction
  - c. Allowable expenses that could be defrayed from the Fund
3. President evaluates recommendation and transmits the same to the Board of Regents for final approval.

### **RESPONSIBILITIES :**

Finance Committee – evaluation of the request to establish the Fund



**President - final evaluation of the request and recommends for its approval**

**Board of Regents - approval of the establishment of the Fund.**

## **BUSINESS/FINANCE BUS 2.7.1 PETTY CASH FUND – POHNPEI CAMPUS**

### **POLICY :**

**Petty Cash Funds are to be maintained at the Pohnpei Campus in an amount of \$500. The amount of use for any one purchase is limited to a maximum of \$50. All purchases out of the Petty Cash Fund shall follow the normal procurement process.**

**It is up to the State Campus Director and the Fiscal Officer to determine if sufficient funds are available to make purchases from the Petty Cash Fund.**

**At any given time, total cash on hand plus receipts must equal to \$500. Receipts for all purchases must be submitted and will be used as support for reimbursement of the petty cash fund. If receipts are not submitted, reimbursement to the Petty Cash Fund shall not be allowed. The Petty Cash Custodian is responsible for any cash shortages.**

**Requests for reimbursement of the petty cash fund should be made on a monthly basis or when 50% of the fund is reached, whichever comes first, and a summary sheet should be attached. This summary sheet will identify the account to be charged.**

### **PURPOSE :**

**The purpose of this policy is set the guidelines in the handling of Petty Cash Fund for the Pohnpei Campus.**

### **APPLICATION :**

**This applies to Pohnpei Campus and other campuses in future who shall be maintaining a Petty Cash Fund.**

### **PROCEDURES :**

- 1. The employee requesting for petty cash shall prepare the Petty Cash Voucher (PCV) to be reviewed by the respective Head, certified by the Fiscal Officer and approved by the respective Coordinators. If the payee is the approving officer, the State Campus Director should approve the PCV.**
- 2. The approved PCV shall be presented to the Fiscal Officer for the release of cash.**
- 3. The PCV shall be liquidated within 5 working days. Liquidation of which shall be indicated in the lower portion of the PCV and the corresponding Official Receipt (OR) shall be attached to support the liquidation.**

4. **Replenishment of the Fund shall be done at the end of the month or when the Fund has already reached 50%, whichever comes first. A summary of PCVs shall be prepared.**
5. **The Summary of PCVs together with the approved PCVs and the ORs shall be attached to the Request for Petty Cash Reimbursement addressed to the State Campus Accountant.**
6. **The State Campus Accountant shall prepare the Accounts Payable Voucher and the corresponding check.**

**RESPONSIBILITIES :**

**Fiscal Officer – acts as the Petty Cash Custodian and is responsible in the management of the Petty Cash Fund.**

**Coordinators – approves requests for petty cash of all staff under them.**

**State Campus Director – approves requests for petty cash of Coordinators.**

**REFERENCES :**

**March 17, 1997, Memorandum to Pohnpei State Campus Director from Comptroller entitled, "Use of Petty Cash."**

**Board of Regents directive of May 1996 meeting**

**POLICY :**

The COM-FSM shall maintain a Petty Cash Fund of **\$2500** for the National Campus. The Custodian of the fund shall be the **Business Office Manager**.

The Petty Cash Fund shall only be used for the following expenditures whose amount shall not exceed \$100 per transaction:

- Payment of duty and taxes particularly import tax, freight and handling, supplies, postage, fuel, and other necessary emergency expenses;
- Payment of approved reimbursement to employees, except reimbursement of travel claims; and
- Payment of the refund of dormitory fees to students.

At any given time, total cash on hand plus receipts must equal to \$4000. Receipts for all purchases must be submitted and will be used as support for reimbursement of the petty cash fund. If receipts are not submitted, reimbursement to the Petty Cash Fund shall not be allowed. The Petty Cash Custodian is responsible for any cash shortages.

**Requests for reimbursement of the petty cash fund should be made on a monthly basis or when 50% of the fund is reached, whichever comes first, and a summary sheet should be attached. This summary sheet will identify the account to be charged.**

**PURPOSE :**

The purpose of this policy is to set the procedures for the processing of payments made out of the Petty Cash Fund and the management of the Fund.

**APPLICATION :**

This applies to all employees of the National Campus.

**PROCEDURES :**

1. All employees requesting for petty cash shall prepare the Petty Cash Voucher (PCV). The Department Head concerned, certified by the Comptroller and approved by the Vice Presidents concerned shall sign the PCV. If the payee of the petty cash is anyone of the approving officer, the President or any two other approving officers shall approve the PCV.

2. **The payee/requisitioner shall acknowledge the receipt of petty cash on the PCV.**
3. **The PCV shall be liquidated within 5 working days. Liquidation of which shall be indicated in the lower portion of the PCV and the corresponding Official Receipt (OR) shall be attached to support the liquidation.**
4. **Replenishment of the Fund shall be done at the end of the month or when the Fund has already reached 50%, whichever comes first. A summary of PCVs shall be prepared.**
5. **The Summary of PCVs together with the approved PCVs and the ORs shall be attached to the Request for Petty Cash Reimbursement addressed to the Accounts Payable Staff.**
6. **The Accounts Payable Staff shall prepare the Accounts Payable Voucher and the corresponding check.**
7. **The Comptroller, on a regular basis, shall check the fund and report any discrepancy to the President, through the Vice President for Administration.**

**RESPONSIBILITIES :**

**Business Office Manager – acts as the petty cash custodian and is responsible for the accounting of the fund**

**Comptroller – regularly checks the fund**

**Vice Presidents – approves requests for petty cash**

**REFERENCES :**

**Memo from the Comptroller dated June 7, 2002**

**Board of Regents Minutes, May 2002**

## **BUSINESS FINANCE 2.8 IMPREST FUND**

### **POLICY :**

**The College of Micronesia – FSM shall maintain an Imprest Fund of \$5,000 each for FMI, Kosrae Campus and Yap Campus and \$10,000 for Chuuk. The Custodian for the fund shall be the Campus Fiscal Officers.**

**The Imprest Fund shall be used only for petty and urgent expenditures of less than \$1,000 per any one transaction. The transactions that shall be covered under the Imprest Fund are as follows:**

- **Utilities**
- **Supplies**
- **Printing**
- **Reference Materials**
- **Fuel**
- **Food Items**
- **Repairs and Maintenance**
- **Import and Sales Taxes**
- **Freight and handling**
- **Reimbursement to employees, except travel expenses**
- **Other Emergency expenses**

**The Imprest Fund Voucher (IFV) shall be used to document the request, certification, approval, liquidation, and replenishment of the Imprest fund. The same shall be liquidated within five (5) working days. Employees with unliquidated IFV shall not be allowed to secure additional funds.**

**The Campus Director shall audit the Imprest Fund on a regular basis and any discrepancies must be immediately reported to the President.**

**Reimbursement of the Imprest Fund shall be done at least once a month.**

### **PURPOSE :**

**This policy provides for the guidelines to be followed in the disposition and management of the Imprest Fund. The procedures stipulated herein shall also be followed for all other Imprest Fund that will be created in the future.**

### **APPLICATION :**

**This policy applies for all Imprest Funds created at the College of Micronesia-FSM.**

## **PROCEDURES :**

- 1. The employee requesting Imprest Funds shall prepare the Imprest Fund Voucher (IFV). The IFV shall be reviewed by the Department Head/Division Head, certified by the Fiscal Officer and approved by the Director.**
- 2. The approved IFV shall be presented to the Imprest Fund Custodian (Fiscal Officer) for the processing of the check. (The standard procedure on the processing of check shall be followed.)**
- 3. Within five (5) working days, the IFV shall be liquidated by the requisitioner. Liquidation shall be done through the submission of the receipt or invoice supporting the disbursement and the return of excess money, if there is any. The returned money shall be deposited back to the Imprest Fund Checking Account. The requisitioner shall sign in the “Liquidated By” portion of the IFV.**
- 4. The Fiscal Officer shall record all disbursements out of the Fund in a spreadsheet (See attached Form) and ensure that the total amount disbursed (supported by the receipts/invoice) and the remaining cash in bank should be equal to the amount of the Imprest Fund (\$5,000 in the case of the FMI, Kosrae and Yap Campuses and \$10,000 in the case of Chuuk).**
- 5. The reimbursements of the fund shall be done on a monthly basis or if the fund has reached 50% level. Amount for reimbursement shall be covered by a Purchase Order (PO). The PO, together with the spreadsheet, duplicate copies of check and the invoices/receipts shall be attached to the reimbursement request.**
- 6. The reimbursement request shall be submitted to the Business Office for the processing of the check.**

## **RESPONSIBILITIES :**

**Fiscal Officer – Imprest Fund Custodian; processes, records and reports all disbursements from the fund.**

**Requisitioner – liquidation of IFVs.**

**Campus Director – approves requests for funds and conducts audit on the fund.**

**State Campus Accountant – processes requests for reimbursements of the campuses.**

## **DEFINITION OF TERMS :**

**Imprest Fund - a special fund that operates like a petty cash fund. The difference is that disbursements are made through check and not cash.**

**REFERENCE :**

**Campus Director's Meeting at Chuuk State, September 12, 2005**

**Memorandum to State Campus Directors from Comptroller through President dated October 1, 2004**

**Board of Regents Meeting Minutes, May, 2004**

**Business Office Forms : Policies and Procedures distributed December 4-5, 2000**



## **BUSINESS FINANCE 2.9 BANK ACCOUNTS**

### **POLICY :**

**Establishment of Bank Accounts is to be approved by the Board of Regents through the recommendation of the Finance Committee thru the President.**

**All transactions with the bank shall require two signatories. The authorized signatories at the National Campus are the President, the Vice President for Administration, the Vice President for Instructional Affairs, the Vice President for Support and Student Affairs and the Comptroller. The authorized signatories for the State Campuses are the Campus Director and the Fiscal Officer.**

### **PURPOSE :**

**The purpose of this policy is to identify the authorized signatories in any bank transaction and to provide for the updated list of bank accounts maintained by the College of Micronesia – FSM**

### **APPLICATION :**

**This policy applies to all bank accounts maintained by the National Campus and the State Campuses.**

### **REFERENCE :**

**Comptroller's Records dated December, 2006**

## **BUSINESS FINANCE 2.10 OVERHEAD/INDIRECT REVENUE POLICY**

### **POLICY :**

**All grants and contracts that provide for overhead and are conducted on the National Campus will divide the overhead in the following manner:**

<b>Office of the President (Research/Personnel)</b>	<b>25%</b>
<b>VP-SSA or VP-IA</b>	<b>50%</b>
<b>Business Office</b>	<b>25%</b>

**All grants and contracts that provide for overhead and are conducted at the State Campuses and the accounting, financial reporting and expenditures are the responsibility of the National Campus Business Office will share the overhead in the following manner:**

<b>Office of the President (Research/Personnel)</b>	<b>25%</b>
<b>State Campus</b>	<b>50%</b>
<b>Business Office</b>	<b>25%</b>

**Indirect cost revenue not used during a particular grant period or fiscal year shall be recorded in the fund balance after end of the next fiscal year. Thus, use of the unexpended indirect cost revenue shall be processed in accordance with guidelines of using **positive** fund balance.**

**Charges of indirect cost to the grant at the maximum of 8% of the modified total direct cost base must be in compliance with the Education Department General Administration Regulations (EDGAR) 75.562.**

### **PURPOSE :**

**The purpose of this policy is to define the sharing distribution of all indirect cost revenue.**

### **APPLICATION ;**

**This applies to all divisions of the College of Micronesia-FSM, which are involved in the administration of particular project/program that provides for indirect cost revenue.**

### **DEFINITION OF TERMS :**

**Indirect Cost Revenue – revenue generated by divisions/departments overseeing/managing special projects with outside funding**

**REFERENCES :**

**Board of Regents meeting minutes, September 2002 and revised under Board of Regents meeting minutes, March 2004**

**Board of Regents meeting minutes, August 2002**

**Board of Regents meeting minutes, August 26-30, 1996**

## **BUSINESS FINANCE 2.11 CHART OF ACCOUNTS**

### **POLICY :**

**The College of Micronesia –FSM structure of the Chart of Accounts has five levels namely :**

- 1 - Fund**
- 2 - Campus**
- 3 - Division**
- 4 - GL**
- 5 - Performance**

**The complete Chart of Accounts being used by the College is hereto attached.**

### **PURPOSE :**

**The purpose of this policy is to provide for the structure of the Chart of Accounts of the College and to provide for the complete list of said Chart of Account.**

### **APPLICATION :**

**This Chart of Account shall be followed by the whole College.**

### **REFERENCE :**

**Data generated from the MIP of the Business Office**

# INVESTMENTS

**(To adopt COM-FSM Endowment fund Investment Policy)**

## EXPENDITURES

## **BUSINESS FINANCE 4.1 PROCUREMENT**

### **POLICY :**

**In general, the responsibility for the procurement of goods, equipment, services, and the like is delegated to the different divisions, except on the following items, which are to be supervised by specific departments as follows:**

<b>Items for Purchase</b>	<b>Department Responsible</b>
➤ <b>IT/technology related</b>	<b>- IT Department</b>
➤ <b>Infrastructure</b>	<b>Maintenance Department</b>

**For the above exceptions, even if the end-users are the other divisions/campuses, the above department shall be consulted.**

**The procurement process follows the following stages:**

- **Identification of the requirements by the Departments concerned and approved by the respective Vice Presidents**
- **Sourcing of supplier by the Departments concerned**
- **Preparation of PO by the Departments concerned and approved by the respective Vice Presidents**
- **Certification as to availability of funds by the Business Office**
- **Processing of Payment by the Business Office**
- **Acknowledgement of Receipt of items purchased by the Departments concerned.**

### **PURPOSE :**

**The purpose of this policy is to define responsibilities in the procurement process.**

### **APPLICATION :**

**This policy applies to all purchases of the College.**

### **DEFINITION OF TERMS :**

**Procurement - the process of acquiring goods, works and services.**

## BUSINESS FINANCE 4.1.1 MODES OF PROCUREMENT

### POLICY :

The following modes of procurement shall be adopted:

- **Formal Bidding**
  - For purchases whose funds come from the U.S. Federal Grants and if the amount is \$100,000 or
  - For purchases of construction projects involving the obligation of \$20,000 or more
  - For purchases of personal property involving the amount of \$50,000 or more, including cost of freight and handling.
- **Direct Contracting –**
  - For goods and services which are exclusively distributed or provided by just one supplier/provider
  - Purchases involving **not more than \$1,000**
  - Emergency purchases
- **Informal Bidding/Canvassing**
  - For purchases not falling on the above conditions
  - In the event there are no bids received during the Formal Bidding
  - When the terms of the grants require that contracts be given to nationals of the donor country

### PURPOSE :

The purpose of this policy is to define the different modes of procurement available to the departments concerned and to define the procedures in the conduct of each mode of procurement.

### APPLICATION :

This policy applies to the entire College of Micronesia – FSM community.

### PROCEDURES :

#### Formal/Open Bidding:

1. The Open Bidding shall be initiated by the **designated** Contracting Officer, who shall publish an Invitation to Bid containing at a minimum the following information:
  - a. Complete description of the item or project subject to bid;
  - b. Address and deadline or submission of bids
  - c. Time and place for the opening of bids
  - d. The requirements that the bidder at least ten (10) days prior to the date for opening of bids shall submit to the Contracting Officer:
    - i. Written notice of the intent to bid



- ii. Proof of financial ability to perform the work intended and experience and competence in performing similar work; and
    - iii. With respect to a bidder seeking a Citizen Bidder preference, a statement that he is submitting his bid as a Citizen Bidder and sufficient documentation to demonstrate eligibility to receive the citizen bidder preference
  - e. The name and address of the Contracting Officer
  - f. The Citizen Bidder definition
  - g. The amount of the Citizen Bidder Preference as follows (FSMC Title 55 Section 404):
    - i. For all contracts for construction projects involving at least \$20,000, but less than \$500,000, or for the purchase of personal property involving at least \$50,000, but less than \$500,000, the amount of the bid of each citizen bidder shall be reduced by 15 percent;
    - ii. For all contracts for construction projects involving at least \$500,000, but less than \$1,500,000, the amount of the bid of each citizen bidder shall be reduced by 10 percent;
    - iii. For all contracts for construction projects involving at least \$1,500,000, but less than \$10,000,000, or for the purchase of personal property involving at least \$1,500,000, but less than \$10,000,000, the amount of the bid of each citizen bidder shall be reduced by five percent; and
    - iv. There shall be no citizen bidder preference with respect to contracts for construction projects involving \$10,000,000 or more, or for the purchase of personal property involving \$10,000,000 or more.
  - h. Additional Requirements (FSM-FMR 5.6):
    - i. With respect to bids for construction projects, the name of and the nature and scope of the work to be performed by each joint contractor or subcontractor to be engaged by the bidder
    - ii. If applicable, discounts, transport costs, or life cycles; and
    - iii. A sworn statement by the bidder that they have not been a party to any agreement or collusion
  - i. Bonding and insurance requirements (FSMC Title 55 Section 406)
    - i. For construction projects involving more than \$150,000
    - ii. For the purchase of personal property involving more than \$10,000,000
- 2. The call for sealed bids shall be advertised for at least ten (10) days:
  - a. By posting such call in the Immigration Office and one other prominent public place in each state of FSM;
  - b. As far as practicable, thru radio or newspaper
- 3. The Contracting Officer shall evaluate the documents submitted by the interested bidder and if based on his judgment the bidder is not fully qualified and shall not be able to perform the work, the submit bid proposal shall be rejected and the party involved shall be properly informed of the denial. The prospective bidder, however, shall have his right to appeal.
- 4. All bids received prior to the deadline set shall be placed on a locked receptacle in the designated place and shall only be opened during the public opening.
- 5. Bids shall be opened publicly, in the presence of all bidders, not less than thirty (30) days after the final day of public notice at the time and place specified in the Invitation to Bid. Suppliers shall be allowed to scrutinize the bids received.
- 6. The Bid amounts of Qualified Citizen Bidders shall be reduced accordingly.
- 7. All bids not complying with the requirements shall be rejected.

8. The Contracting Officer shall award the contract to the lowest responsible bidder. Discretions can be invoked on the following conditions (FSM-FMR 5.12):
  - a. If the lowest bid is rejected, the award may be given to the next lowest bidder or decide to advertise anew;
  - b. If the two or more bids are the same and are the lowest, he has the discretion to choose;
9. A contract shall between the winning bidder and the COM-FSM shall be executed.

#### Direct Contracting:

1. The Requisitioning department shall identify the supplier, and request for quotation.
2. The Corresponding Purchase Order shall be prepared indicating therein that the supplier is the single source available in the island. A certification of sole/exclusive distributorship may also be attached to justify the choice of the supplier.
3. For utilities, such as telephone, water and electricity, the preparation of Purchase Order is no longer required. The Bill shall be sufficient to pay the utility company.

#### Informal Bidding:

1. The requisitioning department shall request for price quotations from at least three (3) suppliers.
2. The **Price Comparison and Analysis (PCA)** shall be prepared. The **PCA** shall present the list of price quotations.
3. The supplier offering the lowest price shall be chosen and a corresponding Purchase Order is prepared.

#### **RESPONSIBILITIES:**

**Requisitioning Department** – responsible for the identification of qualified supplier/provider of the goods or services to be purchased.

**Contracting Officer** – designated Officer by the President who shall be responsible in the conduct of bid and the selection of the winning bidder

#### **DEFINITION OF TERMS:**

**Bidding** – a method of procurement wherein a requirement for purchase is announced publicly and all interested suppliers/providers/contractors are free to join. Sealed Bid proposals are submitted its opening is done publicly in the presence of interested parties. The bidder who submitted the lowest complying bid is declared the winner.

**Canvassing** - a method of procurement wherein at least three suppliers/providers/contractors are invited to submit their proposal. Invitation is done either formally, thru telephone call or e-mail. The lowest priced offer is chosen.

**Direct Contracting – a method of procurement applied when there is only one supplier/provider of the items/services to be purchased.**

**Citizen Bidder – any business:**

- **In which at least fifty-one percent (51%) of the interest therein is owned by an FSM citizen or citizens;**
- **Which has been a resident of the FSM for at least one year immediately prior to the submission of bid'**
- **Which has paid FSM Gross Revenue Tax for the one year period immediately prior to the submission of its bids; and**
- **Which, with respect to the construction projects, shall commit in its bid that at least:**
  - **Twenty-five percent (25%) of all workers employed at all times at the job site shall be FSM citizens; and**
  - **Twenty-five percent (25%) of all materials and supplies to be used shall be purchased from within the FSM.**

**REFERENCE:**

**FSM - Financial Management Regulations, amended June 14, 1999**

**Memorandum from the Comptroller re: Bid Requirements for Federal Grants dated June 29, 1998**

**FSM Code Title 55**

## **BUSINESS FINANCE 4.1.2 PROCESSING OF PURCHASE ORDERS AND OTHER EQUIVALENT DOCUMENTS**

### **POLICY:**

**No purchase shall be in effect without the presence of an approved Purchase Order or other equivalent documents. Depending on the type of transaction, different forms shall take the form of the Purchase Order. They are as follows:**

- **Purchase Order – This form shall be used when ordering goods from both “on-island vendor” and “off-island vendor”. This may also be used when reimbursing an employee for personal funds used for a college’s expenditure, with prior approval from the President.**
- **Blanket Purchase Order – This is a special kind of Purchase Order wherein the items to be purchased are not specified and only the approved amount is specified. This is used for small purchases, which are needed in a short period of time with an estimated total amount of \$200 to \$500.**

**Prerequisite to the approval of the Purchase Order is the certification as to availability of funds.**

**Note that purchase of alcoholic beverages at any COM-FSM functions, activities, gatherings or occasions shall be allowed to be paid from the funds budgeted for operation.**

### **PURPOSE:**

**This policy defines the steps involved in the approval of the Purchase Order or its equivalent forms and defines the appropriate form to be used for a particular transaction.**

### **APPLICATION:**

**This policy applies to all procurement activities of the College.**

### **PROCEDURES:**

#### **Purchase Order (LPO)**

1. **Upon identification of the supplier/provider, a PO is prepared in at least two copies and signed by the Department Head concerned. The following points shall be considered:**
  - **Enter the complete information for each item to be purchased. For purchases of books and textbooks, the details of the items for purchase shall include the author or title of the item being ordered.**
  - **Indicate the discount and the estimated freight and tax, if any. Include this in the computation of the total amount to be paid.**
    - **Enter the department, division, or campus sub-account numbers in the space for Acct. No. The general ledger account number should be entered in the object class. Please refer to the Chart of Accounts for the appropriate code.**

- If appropriate, the total of the purchase order may be allocated to different account numbers. However in this case the approval and signature of the other department chair or division head shall be obtained and indicated in the form.
  - **For Off-island purchases**, the location where the items will be shipped to shall be specified including the shipping terms.
2. The PO shall be forwarded to the Business Office for the certification of availability of funds. The price quotations and the **PCA** shall be attached to the PO when the items for purchase are not ordinary office supplies or food items. **For purchase of books and textbooks, the Supporting Documents required are photocopies of catalogues and email messages from the vendor that include the cost for the items ordered.**
  3. The respective Vice Presidents or the Campus Directors shall approve the PO. In the case of the Vice Presidents and the Campus Directors, the President and the Vice President for Administration shall approve the same, respectively. For amounts exceeding \$10,000, the President shall approve the PO after the approval of the respective Vice Presidents.
  4. The approved PO is assigned with the corresponding PO No. The approved PO is then encumbered. **An encumbrance logbook is maintained at the Business Office classified according to major transactions. This logbook is used to monitor all encumbrances made.**
  5. The original copy will be returned to the requisitioning department. The approved PO is served/sent to the vendor.

### Blanket Purchase Order (BPO)

The preparation and approving procedures for the BPO is the same as the PO, except that only one line item will appear. There will be no description other than Open Purchase Order or Blanket Purchase Order. The amount of the purchase order will be inserted into the total cost column and the amount will be entered at the bottom of the purchase or by the "Total \$".

The difference between an open purchase order and other purchase orders is that with a blanket or open purchase order you may charge items up to the amount of the purchase order without submitting orders to the Business Office.

### **RESPONSIBILITIES:**

**Requisitioning Department – responsible for the preparation of the PO.**

**Comptroller – responsible for the certification as to availability of funds for the particular purchase.**

**Vice Presidents concerned – responsible for the approval of the PO.**

**President – approves PO when the requisitioners are the Vice Presidents**

**DEFINITION OF TERMS ;**

**Certify as to availability of funds – the act of checking whether the requisitioning department has an available funds for the purpose.**

**Encumbrance – all transactions, which are already obligated or deducted from the budget.**

**REFERENCE :**

**Memorandum re: Business Office Forms: Policies and Procedures, distributed at Campus Director's Meeting on December 4-5, 2000; Revised with approval from the Finance Committee in their August 12, 2002 meeting**

**Memorandum from Comptroller to all Heads, re: Blanket Purchase Orders dated November 17, 1999**

**Memorandum from Comptroller to all Heads re: Purchasing, dated April 23, 1996**

**Memorandum from the President re: Revised Procedures for Local Purchase Orders, Letter Orders, and Check Signing, dated March 6, 1995;**

**Minutes of March 21-24, 1994 Board of Regents Meeting**

**POLICY :**

It is a standard accounting procedure to support disbursements with proper invoices, purchase orders and shipping/receiving reports.

On the basis of the supporting documents submitted, the corresponding Check Voucher is prepared and process. This transaction may be paid thru any of the following modes:

- Check
- Credit Card
- Cash

**PURPOSE :**

The purpose of this policy is to define the prerequisites for payment and the procedures involved in it processing.

**APPLICATION :**

This applies to all procurement transactions.

**PROCEDURES:****Receipt of Goods**

1. The requisitioning unit shall prepare the Receiving Report (RR) upon receipt of the goods ordered. **The Receiving Report shall be prepared in at least two (2) copies**, the original of which shall be submitted to the Business Office and the other copy to be retained by the requisitioning department for future reference. The receiving report will have all of the required information completed prior to being submitted to the Business Office.
2. Together with the RR, the corresponding Original Invoice shall be submitted to the Business Office as well as the shipping documents in the case of off-island purchases. The corresponding Purchase Order No. should be indicated in all the documents for easy reference. The responsibility for following up the invoices with vendors shall rest with the Requisitioning Unit.
3. In cases where the Invoice is received by the Business Office directly from the vendor's, the submitted Receiving Report that have been submitted to the Business Office shall be matched. The person responsible for the order will be contacted and advised that the invoice has been received. A copy of the invoice will be sent to the person responsible for the order.

## **Processing of Payment**

- 1. In all instances, payment shall be made upon receipt of the goods except for off-island purchases where advance payment is required. The approved Purchase Order is enough to support the processing of payment. All payments for off-island purchases will be charged to a Prepaid Expenditure (a Balance Sheet account) account and will not appear as expenditure in the financial reports for the College until after the invoice and receiving report has been received in the Business Office. It shall be the responsibility of the Requisitioning Unit to liquidate the payment thru the submission of the Receiving Report and Invoice.**
- 2. The Business Office Staff shall examine all the documents submitted. Any deficiency found shall be communicated thru a pro-forma Memorandum, indicated therein the deficiency.**
- 3. The transaction then is posted as an Accounts Payable in the MIP system and the corresponding Check Voucher is prepared if mode of payment is Check.**
- 4. All invoices shall be stamped `PAID' in red ink after the checks are signed by the first check signer to minimize the possibility of paying the same invoice twice. (Authorized signatories are discussed in Section F).**
- 5. If payment shall be made thru Credit Card, a separate procedure is defined in Section 4.1.3.1.**
- 6. If payment is thru Cash to be taken from the Petty Cash, the liquidation is done in batch when the fund is replenished. The process stops at the submission of the Receiving Report and the Invoice.**
- 7. On a monthly basis the Business Office shall make a reconciliation of all POs issued and distribute a list of outstanding Pos. This will be a list for which no receiving reports or invoices have been received by the Business Office. The list will be given to the Department Heads concerned.**

### **RESPONSIBILITIES :**

**Requisitioning Unit – responsible for the completion of all supporting documents to support payment or liquidate payment made.**

**Business Office – ensure that all supporting documents are in order before payment is made.**

**Signatories – ensure that all supporting documents are stamped “Paid” to avoid duplicate payment.**



**REFERENCES :**

**Memorandum to all Division/Department/Activity Heads from Comptroller re: Receiving Reports, College of Micronesia – FSM Procedure for Invoices and Receiving Reports effective October 1998.**

**Memorandum to Distribution from President re: Invoices and Supporting Documentation, dated June 29, 1998.**

**Memorandum to all State Campus Directors, Upward Bound Directors, Land Grant Directors and Assistant directors, National Campus Division/Department/Activity Heads from Comptroller re: Purchasing, dated April 23, 1996**

**Memorandum from the Comptroller to Business Staff re: Stamping Invoices Paid, dated June 2, 1995**

**Memorandum to all Department Heads and Managers from Comptroller re: “Pro-forma Memorandum”, dated February 10, 1994**

## **BUSINESS FINANCE 4.1.3.1 CORPORATE CREDIT CARD POLICY**

### **POLICY :**

**The College of Micronesia – FSM provides the use of a corporate credit card in the procurement of goods and services in order to attain the following objectives:**

- **To benefit from savings derived from online purchases by soliciting the least purchase price through the internet;**
- **To generate savings from discounts available in credit card procurement;**
- **To avoid delays in placing orders and making payments;**
- **To earn travel mileage that can be used for official travels of COM-FSM employees;**
- **To lessen the procurement time, particularly in textbook orders.**

**The Corporate Credit Card is to be strictly used for online and off-island procurement (particularly for textbooks), and for payment of communication and utilities. The President of the COM-FSM shall be the only authorized user of the Corporate Credit Card.**

**The use of the Corporate Credit Card is to be supported by a Purchase Order (PO) attaching quotations from off-island vendor. PO is to be processed, certified and approved in accordance with the policy on processing and approving of POs. The policy on the liquidation also applies.**

**All legitimate charges in the Corporate Credit Card are to be paid before the due date to avoid finance and/or late/penalty charges.**

### **PURPOSE :**

**To define the policies and procedures on the use of the Corporate Credit Card.**

### **APPLICATION :**

**This policy is applicable to all.**

### **PROCEDURES :**

1. **Requisitioning Unit shall prepare the Purchase Order attaching on-line quotations and/or supporting documents and submitted to their respective Vice Presidents/Campus Directors for approval. The vendor to be indicated in the PO shall be Bank of Guam/Name of Supplier. The procedure on the processing of PO as contained in Section 4.1.2 applies.**
2. **Upon approval of the PO, the Requisitioning Unit coordinates with the Office of the President for the placement of the order through the Internet.**

3. **President handles the placement of the order through the Internet and signs the PO to confirm that the order has been placed and paid through Credit Card.**
4. **The Office of the President transmits the PO to the Business Office for payment to the bank.**
5. **The Business Office pays the bank in accordance with the billing statement prior to the due date.**
6. **The Requisitioning Unit transmits the Receiving Report and the corresponding supporting documents such as Invoice, shipping documents, delivery receipts, etc. to the Business Office.**
7. **The Business Office attaches the supporting documents to the corresponding PO and prepares the necessary transactions to liquidate the PO paid through the Credit Card.**

#### **RESPONSIBILITIES:**

##### **Requisitioning Unit – responsible in:**

- **Soliciting quotations from the Internet**
- **Preparing the PO**
- **Coordinating with the Office of the President for the placement of order through the Internet**
- **Submitting the Receiving Report together with the Invoices, Delivery Receipts and other supporting documents to the Business Office**

**Business Office – responsible in budget and fund certification and in making payments to the bank before its due date**

**Office of the President – responsible in the actual placement of order through the Internet and returning PO to the Business Office for payment to the bank.**

#### **REFERENCE :**

**Board of Regents Meeting Minutes, March 2003**

## BUSINESS FINANCE 4.2 PAYROLL PROCESSING

### POLICY :

The processing of the payroll for the entire College of Micronesia – FSM is centralized at the National Campus. There shall be two types of payroll to be prepared, one for the Regular Employees and the other for those under Special Contract, the processing of which is done every other week, the regular employees every 2<sup>nd</sup> and 4<sup>th</sup> week of the month and the Special Contract Employees every 1<sup>st</sup> and 3<sup>rd</sup> week of the month. Salaries are processed bi-weekly, covering two full weeks for each payroll period.

The following documentary evidence shall be required in the processing of the payroll:

- Time and attendance documentation
- Personnel Action Form
- Bi-Weekly Payroll Allotment Deduction Form

In the computation of the earnings of the employees of COM-FSM the following shall be taken into consideration:

- Employees on Regular Contracts – bi-weekly amount regardless of holidays
- Instructors on Special Contracts – during the semester, as long as they are meeting their instructional duties, they shall receive the entire bi-weekly amount regardless of holidays
- Non-teaching Employees on Special Contracts – paid for the hours worked. Therefore if they do not work on a holiday, they do not receive pay for that day.

The following deductions maybe allowed/accommodated:

- Tax withholdings;
- Premiums for government required insurance programs such as social security, health insurance, life insurance, retirement program
- Amounts required under a court order
- Amounts requested by the employee to be remitted to the FSM government or any of the four states
- Other amounts requested by the employee to be remitted to a third party, provided that no more than ten (10) such allotments shall be permitted for each employee at any one time and that each such allotment must be in effect for at least six (6) months

Paydays are always scheduled on a Wednesday. Time Sheets are expected to be received at the Business Office on Fridays before the payday schedule. However, when the payday falls immediately after a major holiday such as Christmas, New Year's or Easter Days, **the President has the prerogative to move the payday on the Friday before the holiday.**

## **PURPOSE :**

**The purpose of this policy is to define the criteria for computing payroll earnings and deductions and the procedures involved in its processing.**

## **APPLICATION :**

**This applies to regular and special contract employees of COM-FSM.**

## **PROCEDURES :**

- 1. During cut-off days (Friday before the scheduled payday), different departments and State campuses submit their Time Sheets at the Business Office.**
- 2. The Time sheets are then posted to the MIP Payroll System.**
- 3. New employees or updates on the pay rates of employees are submitted by the Human Resource Dept. to the Business Office.**
- 4. Employees who wishes to request for deduction to a third party allottee may do so by accomplishing the Bi-weekly Payroll Allotment Deduction Form. Conversely, if employee wants a particular deduction be stopped the same is communicated to the Business Office thru the same form.**
- 5. The actual payroll processing is done thru the MIP Payroll System. The following computations are used by the system in determining the exact amount of mandatory deductions:**
  - a. Withholding Tax - 6% of income if income is equal to or less than \$11,000 and an additional 10% of income in excess of \$11,000. If gross annual income is less than \$5,000, income is deducted with \$1,000 before computing for the tax**
  - b. Social Security – 6% of income**
  - c. Health Insurance – 48% of the total premium. This includes dependents up to a maximum of four (4).**
  - d. Life Insurance - \$0.15 for every \$1000 coverage; Coverage is computed as twice the salary rounded up to the next thousand.**
  - e. Retirement Premium – half of the total premium. However, should the other half (which is shouldered by COM-FSM) exceeds 3% of the compensation, the excess shall be chargeable to the employee**

**Note: For employees under special contracts, the only mandatory deductions are the Withholding Tax and the Social Security.**

6. **Aside from the basic salary, an employee may receive the following compensation:**
  - a. **Overtime Pay – shall be paid 1-½ times the hourly rate for authorized overtime work. (In lieu of the Overtime Pay, the employee maybe given Compensatory Time-Off at time and one half for authorized overtime work.)**
  - b. **Holiday Work Compensation – all work rendered during holidays shall be paid at the rate equivalent to double their hourly rate pay.**
  - c. **Shift Differential Compensation – all worked rendered between 6:00 p.m. to 7:00 a.m. of the following month shall be paid 15% higher than the regular rate.**
7. **The corresponding check for each employee is generated, representing the net pay. Attached to the Check is the check stub containing the details of the earnings and deductions.**
8. **In the case of the National Campus and the Pohnpei Campus, the checks are released directly to the employees concerned. For other campuses, checks are deposited to their individual accounts at the Bank of FSM. A list of employees with the corresponding account numbers at Bank of FSM and the amount is generated for submission to the bank.**

## **RESPONSIBILITIES :**

**Employees Concerned – inform the Business Office on any changes of allotment to third party; signs the timesheets**

**Human Resource Dept. – responsible for informing the Business Office on new appointments or any changes on the pay rates of employees**

**Business Office – responsible for the processing of payroll**

## **DEFINITION OF TERMS:**

**Payroll - the sum of money to be paid out to employees at a given time.**

**Tax Withholding – income tax withheld from employees’ wages paid directly to the government by the employer.**

**Payday – the day on which the employees receive their pay for the period.**

**Time Sheets – a report, which provides for the time ins and outs of each employee.**

**Allottee – recipient of an allotment**

**Overtime – hours work assigned by a supervisor to a classified employee, which is in excess of forty (40) hours in a workweek.**

**Work week – five consecutive days within the seven (7) day period between midnight Sunday to the following Saturday at 11:59 p.m..**

**REFERENCES :**

**FSM Financial Management Regulations Section 4.2**

**FSM Health Insurance Plan Enrollment Premium Structure effective October 1, 2000**

**Precedents set in past years as can be seen by a December 12, 1994, Memorandum to the Payroll Accountant from the Controller re: Early Payroll Processing**

**Memorandum for the Business Office Manager from the President re: Holiday status for special contract holders, dated September 24, 1992**

**Plan Highlights, COM-FSM Retirement Plan**

**FSMC Title 54, Taxation and Customs**

**FSMC Title 53, Social Security and Prior Service Benefits**

**[www.freedictionary.com](http://www.freedictionary.com)**

**Personnel Policy Handbook – Other Compensation Policies**

## **BUSINESS FINANCE 4.2.1 ATTENDANCE AND LEAVE MONITORING**

### **POLICY :**

The regular working hours for COM-FSM is from 8:00 a.m. to 5:00 p.m.. Exceptions to this are employees who work at the dormitory, library, cafeteria and all the teaching staff who are operating on a different schedule. However, arrangements could be made for those having difficulties in meeting the regular schedule to work at an alternate schedule, such as 8:30 a.m. to 5:30 p.m.. Such schedule, if ever, must be posted in a place that is clearly visible to persons visiting the concerned employee's work area.

All regular employees are entitled with leave with pay. Entitlements are discussed in the Personnel Policy Handbook Section 9 – Leave Policies. In addition to the authorized leave as contained in the Leave Policies of the COM-FSM, the President may from time to time declare Holiday Administrative Leaves on days before or after a holiday. Employees on special contract may also be entitled to this if the days listed falls on a regular workday of the employee.

In contrast, employees under Special Contracts are not entitled with leave with pay. They follow the no work no pay policy. Exception to this are the teaching staff, wherein Holidays are paid even if they do not report for work, provided that their teaching duties are fulfilled.

Employees with leave balances shall not have a deduction due to absences/tardiness provided that they have submitted a duly approved Application for Leave.

### **PURPOSE :**

The purpose of this policy is to define the rules in the treatment of attendance and leave.

### **APPLICATION :**

This applies to all employees and staff of the COM-FSM, whether regular or under special contract.

### **PROCEDURES :**

#### **Leave Application**

1. All employees who intend to be absent or have absent themselves need to accomplish an Application for Leave (AL). For annual leave and maternity leave, the AL should be filed in advance. For sick leave, the AL should be filed immediately upon return to work.



2. **The supervisor concerned shall approve the application for leave. Should the application be disapproved, the reason for disapproval shall be indicated in the AL.**
3. **The approved AL is submitted to the Business Office.**

### Overtime

1. **Employees who are required to render overtime in excess of the regular time shall fill in the Request for Overtime Work form before work is rendered.**
2. **The supervisor shall approve the Request.**
3. **Finally, authorization shall be given by the President or his designee.**

### Attendance Reporting

1. **All employees and staff shall record their daily attendance in the logbooks of their respective departments. At the end of the pay period, each employee shall prepare his or her own Time Sheets.**
2. **The Department Heads shall verify that everyone has performed the work for the pay period and indicate approval by signing the Time Sheets.**
3. **The approved Time Sheets shall be forwarded to the Business Office by 5:00 p.m. on the Friday before the payday. FMI and the Chuuk, Yap, and Kosrae State Campuses are required to fax their Time Sheets to the Business Office.**
4. **All approved Leave Applications shall be attached to the Time Sheets, including the Request for Overtime Work, if any.**
5. **Business Office Payroll Staff posts the attendance and leave in the MIP System**

### **RESPONSIBILITIES :**

**Employee/Staff – accomplishes the Application for Leave or Request for Overtime Work, as needed; Prepares Time Sheets**

**Supervisor/Department Heads – approves the Application for Leave, Request for Overtime and Time Sheet**

**President – grant authority to render overtime**

**Business Office Payroll Staff – posts attendance and leave applications**

**REFERENCES :**

**Personnel Policy Handbook**

**Memorandum from the President re: Reminder on Work Hours, Annual Leave, and Comp Time, dated September 8, 2005**

**Memorandum from the President re: Holiday Administrative Leave for Individuals on Special Contracts, dated December 20, 2000**

**Memorandum to Business Office Manager from the President re: Holiday Status for Special Contract Holders.**

**Memorandum from Comptroller dated October 5, 2000**

## **BUSINESS FINANCE 4.3 TRAVEL POLICIES**

### **POLICY :**

**No COM-FSM fund shall be obligated for travel except to defray Authorized Travel Expenses that are evidenced by a Travel Authorization (TA) and a Travel Voucher. A valid Travel Authorization must meet the following requirements:**

- **Duly approved by the President**
- **Certified as to availability of funds by the Comptroller**

**Authorized Travel Expenses are only those expenses that are incurred by the traveler while the traveler is away from his official duty station or State of assigned duty and must meet the following requirements:**

- **The travel must be performed to conduct official business.**
- **With respect to air travel, the traveler shall avail an economy class or by coach unless specifically authorized by the President because coach/economy class transportation is not reasonably available.**
- **Expenses of travel shall be limited to the amounts reflected in the TA**
- **The per diem allowance shall cover the meals, lodging and personal expenses of the traveler and shall be a fixed amount per day with the following considerations:**
  - **Shall be in accordance with the allowable rates**
  - **Claimable by the traveler beginning on the day of his departure through and including the day of his return regardless whether the day of return or departure are partial days**
  - **The per diem allowance shall not be allowed for layovers not reflected in the TA, including amendments thereto, unless the traveler can substantiate that the layover was due to circumstances beyond his control**
  - **The per diem allowance shall be limited to the 40% of the whole per diem when the traveler is in a place where lodging is provided for him without substantial charge**
  - **If in any case the accommodation available is within \$25 of or higher than the per diem rate, COM-FSM shall pay for the hotel and 25% of the per diem rates, instead of the authorized per diem rate, provided that prior approval was sought. Hotel receipts shall be attached in the Travel Voucher during liquidation.**
  - **The time differences between Hawaii/USA and FSM shall be taken into consideration in calculating per diems.**
- **Vehicle Rentals may be allowed if with prior approval**
- **Other allowable expenses may be allowed for reasonable expenses incurred in the course of the official travel which includes, but not limited to, official overseas or local phone calls, taxis and other local transportation, cables, telex, airport departure fees, photocopy, visa fees, currency exchange and/or laundry expense. For purposes of**

calculating the travel advance, this shall be computed as \$0 for each day for which vehicle rental funds are advanced and \$10 for each other day or fraction thereof during the trip.

- **Optional Fixed Allowance may be allowed for those traveling beyond the FSM, Guam, and Commonwealth of the Northern Marianas Islands, Republic of Palau, and Republic of the Marshall Islands.**

**Within ten (10) working days upon the completion or cancellation of the trip for which the TA was issued, a completed Travel Voucher should be submitted to signify liquidation of the Travel Advance. No Travel Advance shall be allowed to employees/staff who have unliquidated travel advances.**

**PURPOSE :**

**The purpose of this policy is to provide guidelines on the processing of travel expenses.**

**APPLICATION :**

**This policy shall apply to all employees/staff of COM-FSM who are on official travel.**

**PROCEDURES :**

- 1. All employees/staff going on Official trip should have a Travel Authorization (TA). The TA shall be prepared by the traveler and shall be recommended by the immediate supervisor and the Vice Presidents concerned.**
- 2. The TA together with the travel advance requests shall be forwarded to the Business Office at least one week before the scheduled trip for the Pohnpei and National Campuses and two weeks for the other campuses. The TA should be supported by an itinerary from the airline or travel agency. The following information should be indicated in the TA form:**
  - a. Section 10 – if there is a registration fee to be paid, the due date should be indicated. Payment however, should be documented in a separate Purchase Order to be attached in the TA.**
  - b. Section 11 – actual calculation of per diem, stating therein the number of days should be indicated.**
  - c. Section 20 – indicate the airline or travel agency for which the airfare will be paid**

3. **The Business Office will review the TA and determine if funds are available in the budget or if the traveler has an outstanding travel advance. Travel advance requests will be returned for the following reasons:**
  - a. **Funds are not available in the travel account**
  - b. **The employee has an outstanding travel advance**
  - c. **The TA is incomplete**
4. **After funds certification, the TA is forwarded to the President for the final approval.**
5. **Upon receipt of the approved TA, a TA number is assigned. This number will be called in to the travel agency that will be issuing the ticket. Once the agency receives the TA number, a ticket is issued by the travel agency.**
6. **Business Office Staff then processes the allowable travel advance. A total of 80% of the per diem will be advanced to an employee prior to departure plus 100% of other identified travel expenses. Checks for conference registration fees will be made payable to the conference, not to the employee. An exception is if the employee pays for the fee from personal funds (this requires prior approval). If the amount of the registration fee has been approved and a receipt is attached to the final travel voucher, the employee will be reimbursed.**
7. **If the travel advance request is received within the specified time frame, the check will usually be available the day before the trip.**
8. **Within ten working days upon completion of the trip, the employee shall submit the final travel voucher. The individual must account for all advances. Receipts are necessary for ground transportation, gasoline for car rentals, departure fees, and registration fees. Hotel and meal receipts are not required, if straight per diem was availed of. However, for special cases where the College shouldered the hotel accommodation, the hotel receipts should also be attached. The College will not reimburse an employee for costs greater than the allowable per diem.**
9. **Upon receipt of the final travel voucher, the Business Office will calculate the total per diem and expenses incurred during the trip. If the cost of the trip exceeds the amount advanced to the employee, a check will be processed. If there is a balance due to the College, an invoice will be prepared and given to the employee. **The employee concerned may opt to return the excess funds to the Cashier or request for salary deduction. The receipt of excess fund shall be duly receipted.****

## **RESPONSIBILITIES :**

**Traveler – prepares the Travel Authorization and the Travel Voucher**

**Immediate Supervisor and Vice President concerned – approves the Travel Authorization**

**President – approves the Travel Authorization and all other requests related to the travel**

**Comptroller – certifies availability of funds**

**Business Office Staff – processes the travel advance and the travel voucher.**

**DEFINITION OF TERMS :**

**Travel Authorization form – used for requesting and authorizing a travel**

**Per Diem – a fixed allowance per day given to an employee on official travel to cover expenses for meals, lodging and other personal expenses related to the travel.**

**REFERENCES :**

**FSM Financial Management Regulations**

**Memorandum from the President re: Per Diem Calculation for Hawaii and USA, dated October 12, 2006**

**Memorandum from the President re: Outstanding Travel Voucher, dated August 25, 2006**

**“Tips for Travelers” distributed by the Comptroller at the December 4-5, 2000 meeting of the Campus Directors**

**COM-FSM Board of Regents Meeting Minutes, September, 1999 meeting**

**Memorandum from the Comptroller re: Timely Submission of Travel Advance Requests, dated May 3, 1996**

## **5.0 FISCAL REPORTING**

## **BUSINESS FINANCE 5.1 FINANCIAL REPORTING**

### **POLICY :**

**The Board shall be responsible for ensuring that the College develops, implements, and maintains, in accordance with generally accepted accounting principles, accounting and record-keeping, financial reporting, and financial management systems which provide for full disclosure of the results of financial operations, adequate financial information needed in the management of operations, and the formulation and execution of the annual budget adopted by the Board. Such systems shall ensure effective control over income, expenditures, funds, property and other assets of the College and be designed to prevent the misappropriation of funds. Records relating to the financial transactions of the College shall be maintained for at least five years.**

**The above responsibility is delegated to the Business Office, specifically to the Comptroller. The Comptroller shall be responsible for the fair presentation and reliability of financial statements produced by the Office. To achieve fair presentation and reliable information of the financial statements, the following standards shall be observed:**

- **Fairness of presentation.** This refers to the overall propriety in disclosing financial information. This shall include the following standards:
  - All financial data presented shall be accurate, reliable, and truthful.
  - Financial reports shall be based on official records maintained under an adequate accounting system that produces information objectively and discloses the financial aspects of all events or transactions taking place. Where financial data or reports based on sources other than the accounting systems are presented, their basis shall be clearly explained.
  - The financial data reported shall be derived from accounts that are maintained in all material respects on a consistent basis from period to period; material changes in accounting policies or methods and their effect shall be clearly explained.
  - Consistent and non-technical terminology shall be used in financial reports to promote clarity and usefulness.
- **Compliance.** The report shall be in accordance with prescribed government requirements and international accounting standards of reporting.
- **Timeliness.** All needed reports shall be produced promptly to be of maximum usefulness.
- **Usefulness.** Financial reports shall be carefully designed to present information that is needed and useful to reports users.

### **PURPOSE :**

**This policy defines the financial reports that shall be generated by the Business Office and the standards that shall be observed in its generation.**



## **APPLICATION :**

**This applies to all financial reports generated by the College.**

## **PROCEDURES :**

- 1. The Financial Reporting System follows the following major stages:**
  - a. Generates Unadjusted Trial Balance**
  - b. Records Adjusting Journal Entries**
  - c. Generates Pre-Closing Trial Balance**
  - d. Performs Adjusting/Correcting Entries, both deferred and accrued items and closing entries**
  - e. Generates Post-Closing Trial Balance**
  - f. Generates Financial Statements and Supporting Schedules**
  
- 2. The Post-Closing Trial Balance is submitted to the Auditor. After audit has been made and there may be adjustments/correcting entries to be made as recommended.**
  
- 3. Financial Statements, certified by the Auditor, are the following:**
  - a. Balance Sheet**
  - b. Statement of Income and Expenses**
  - c. Statement of Cash Flows**
  
- 4. On or before June 30 of each year, the Audited Financial Statements covering the preceding fiscal year is submitted to the Federal Government of the United States of America.**
  
- 5. For the Board of Regents, the following reports are submitted quarterly, coinciding with the regular Board Meeting:**
  - a. Statement of Current Fund Revenues, Expenditures and Other Changes (SRE) – National Campus -Unrestricted Fund**
  - b. SRE – State Campus – Unrestricted Funds**
  - c. SRE – National and State Campuses Combined**
  - d. SRE – Restricted Funds**
  - e. SRE – Unrestricted and Restricted Funds Combined**
  - f. Cash Position Reports**
  - g. Accounts Receivables from Students**
  - h. Endowment Fund and Fund Raising**
  
- 6. To review the budget performance of the college, the Encumbrance Budget Report is also generated. This compared the Budget Utilization of each department in the College. Each Department is provided with a copy of this report for their reference.**

**RESPONSIBILITY :**

**General Accountant – maintains the General Ledger and performs the necessary accounting procedure to finally generate all the required financial reports.**

**Comptroller – reviews and certifies as to accuracy all financial reports generated by the Office.**

**REFERENCES :**

**PL 7-79**

## **BUSINESS FINANCE 5.2 REQUIRED PERIODIC REPORTS TO FSM PRESIDENT AND/OR FSM CONGRESS**

### **POLICY:**

**Not later than May 1 of each year, the COM-FSM shall submit a report to the Congress of the Federated States of Micronesia which shall provide for the full accounting of each line item, or subsection apportioning funds, as of the end of the second quarter of the fiscal year, detailing obligations incurred against all sums appropriated by the Congress of the Federated States of Micronesia or made available to COM-FSM from other sources, to include a detailed explanation and full justification for each major deviation from a line item, or subsection apportioning the funds. (FSM Financial Management Act)**

**The same report discussed above shall also be submitted not later than October 31 of each year by the COM-FSM to the Congress of the Federated States of Micronesia. However, for this particular reporting period, the report shall be as of the end of the fiscal year.**

**Also, the College shall cause the submission to the President of the Federated States of Micronesia and the Congress 120 days from the end of each fiscal year a report describing the condition and progress of College programs and activities during the preceding fiscal year, including a financial report showing the results of operations for the preceding fiscal year and financial status of the College on the last day thereof. The report shall be made in a manner provided by the Board. [PL 7-79, Section 21(2)(f)]**

**The Board shall provide to the President and the Congress of the Federated States of Micronesia by April 1 of each year or as soon as practicable thereafter, an annual report concerning the activities, programs, progress, condition, and financial status of the College in the fiscal year most recently completed. The annual report shall provide comprehensive financial information which accounts for the use of all funds available to the College from the National Government or otherwise and which shall be prepared in accordance with generally accepted accounting principles. The annual report shall also describe implementation of the College's long-range plan and include information on student enrollment, costs per component and per student, and the status of students who graduated from or terminated studies at the College. [PL 7-79. Section 28 (I)]**

**Aside from the above stated reports, the Business Office also prepares quarterly the Performance Plan – Resource Allocation. This report is submitted to the COM-FSM President for incorporation in his Quarterly Reports submitted to the FSM President.**

### **RESPONSIBILITY :**

**General Accountant – prepares all the financial reports**

**Comptroller – reviews and certifies all financial reports generated by the Business Office.**

**REFERENCES :**

**PL 7-79; FSM Financial Management Act**

## BUSINESS FINANCE 5.3 PERIODIC AUDITS

### **POLICY :**

**Section 487 of the Higher Education Act of 1965, as amended (HEA) requires each institution participating in any Title IV, HEA student financial assistance program to submit audited financial statements to the Secretary of Education (Secretary) on an annual basis. The Secretary is now requiring that institutions comply with this requirement. The requirement for the submission of audited financial statements is in addition to the requirement for the submission of compliance audits, also required by section 487 of the HEA. (US Department of Education, 1994)**

**The Board of Regents shall request and utilize the Public Auditor who shall inspect and audit all accounts of the College at least annually and report thereon to the Board and to the National Government of the Federated States of Micronesia. For the purposes of this paragraph, audit means financial, compliance, program results, and economy and efficiency audits, including determinations as to whether the College has met the requirements set forth in this act and determinations as to the propriety of the financial transactions of the College. The Board of Regents and officials, faculty, and other employees of the College shall cooperate fully with the audit officials to enable them to fully discharge their responsibilities and provide such audit officials access, without cost and during normal working hours, to all personnel, records, documents, working papers, automated data, files, and other information such audit officials deem relevant to their work. [PL 7-79, Section 28 (2)]**

**The audit function has been delegated to private auditing firms, the selection of which is done by the Office of the National Public Auditor. The Deloitte & Touche is the designated Auditor for Fiscal years, 2006-2008. The FSM Government and the COM-FSM shall share on the cost of audit. The COM-FSM shall pay its share of 50% to the FSM Treasury.**

### **PURPOSE :**

**The purpose of this policy is to define the audit requirement of the FSM Government.**

### **REFERENCES :**

**Letter of Haser Hainrick, National Public Auditor to the President, dated July 3, 2006**

**June 1994 letter from Jack C. Reynolds, Acting Director, Institutional Participation Division, US Department of Education;**

**PL 7-79**

## **6.0 CONTROL OF FIXED ASSETS**

## **BUSINESS FINANCE 6.1 CAPITALIZATION POLICY**

### **POLICY :**

**Fixed Assets are tangible assets that are held by the College which are expected to be used beyond the current accounting period and whose value is \$500 or more. The total cost capitalized includes the acquisition cost and all other cost incurred to make the property usable or to bring the property in its working condition. The following cost, however, are not included:**

- **Interest on loans to purchase the asset**
- **The cost of training staff to operate or use the property**
- **Annual property costs and insurance costs**
- **Cost of dismantling and disposing of an old asset is not added to the cost of the replacement**

**This is further categorized as:**

- **Land and Land Improvements -**
- **Furnitures and Fixtures**
- **Equipment**
- **Vehicle**
- **IT Equipment**

**The cost of the asset is recognized as an expense in current and future periods through depreciation.**

### **PURPOSE :**

**To define the capitalization policy.**

### **APPLICATION :**

**This shall cover all assets owned by the College.**

### **REFERENCE :**

**GASB 35**

## **BUSINESS FINANCE 6.2 ESTABLISHMENT OF ACCOUNTABILITY**

### **POLICY :**

**There shall be a mechanism that would allow monitoring of all fixed assets of the College. To implement this, the following requirements shall be in place:**

- **Maintenance of a detailed record for each property to include the following information:**
  - **Property No.**
  - **Property Description**
  - **General Category**
  - **Acquisition Cost**
  - **Location**
  - **Person Accountable**
  - **Useful life**
  
- **Proper tagging of each asset or property**
- **Identification of Accountability thru the issuance of a Property Acknowledgement Receipt**
- **Conduct of Physical Inventory**

**Meantime that there is no established Property Office who shall be responsible for the maintenance and monitoring of all Fixed Assets, the above responsibility shall be lodged to the Business Office.**

### **PURPOSE :**

**To define the Fixed Asset accountability policy of the COM-FSM.**

### **APPLICATION :**

**All Fixed Assets acquired by the College shall be covered by this policy.**

### **PROCEDURES :**

#### **Set up of Accountability**

- 1. A Receiving Report shall be prepared by the Requisitioning Department for all purchases classified as fixed asset as defined in Business Finance Policy 5.1, indicating therein the person responsible for the property. This report together with other supporting documents for payment of purchase shall be forwarded to the Business Office.**
  
- 2. After payment has been processed, a copy of the Receiving Report shall be forwarded to the General Accountant for recording in the Property Ledger Card. A Property No. shall be assigned and the corresponding property label shall be prepared.**



- 3. The Property Acknowledgement Receipt (PAR) shall be prepared in two copies. The PAR transfers the accountability of the asset indicated therein from the College to the employee concerned. The PAR together with the property label shall be forwarded to the Accountable staff for acknowledgement.**
- 4. The Accountable staff shall retain the second copy and forward the original copy of the PAR to the General Accountant.**
- 5. For assets that are transferred or disposed, the PAR shall be surrendered to the General Accountant for cancellation. A new PAR shall be prepared for transferred assets. Disposed Assets shall be dropped from the books.**
- 6. The Fixed Asset Accountabilities shall be incorporated in the Clearance Form of employees who are tendering resignation, terminated, or retiring. The General Accountant shall sign in the Clearance Form, signifying that the employee is free of any accountability.**

#### **Conduct of Physical Inventory**

- 1. A physical inventory of all fixed assets shall be done every other fiscal year. However, for books and other materials in the library that is voluminous in nature and considering that a cataloguing system is in place to control their movement, a 100% verification is not necessary and instead periodical sampling may be employed.**
- 2. To facilitate the conduct of inventory, a team shall be created composed of representatives from the Business Office, Maintenance Department, IT Department. Members may also be taken from the academic community. The number of members of the team shall be left to the discretion of the Comptroller, taking into consideration the volume of assets for inventory and the targeted time of accomplishment. For assets located at the campuses, a representative from the campus shall be included.**
- 3. The General Accountant shall generate the List of Fixed Asset per record. This list shall be the starting point in the conduct of inventory. All assets that were counted shall be tagged as “Inventoried” indicating the date the inventory taking was done.**
- 4. The team shall generate an Inventory Report. The team shall analyze any discrepancies found during the conduct of physical inventory and corresponding accountabilities shall be established.**
- 5. Based on the report of the Inventory Team, appropriate adjustments shall be identified and recommended for approval to the Comptroller.**

**RESPONSIBILITIES :**

**General Accountant – maintains record of all fixed assets.**

**Accountable Staff – employee/staff of the College to which a particular asset is assigned for use or custody.**

**Inventory Team – conducts physical inventory and recommends adjustments, if any to the Comptroller**

**Comptroller – approves adjustments to be made to the Fixed Asset Account /Record.**

**DEFINITION OF TERMS :**

**Accountability – the obligation/responsibility over a particular asset**

**Physical Inventory – the act of counting and verifying physical presence of each Fixed Asset of the College.**

**REFERENCE :**

**GASB 35**

## BUSINESS FINANCE 6.3 DEPRECIATION POLICY

### POLICY :

The straight-line method of depreciation will be used for all assets (except land). **Land is not depreciated because this value is not expected to decrease or diminish.** The following shall be used as guide for the estimated useful lives:

- a. Machinery and Equipment:
  - i. IT and other related Equipment - 3 years
  - ii. Library Books and Collections - 5 years
  - iii. Cleaning Equipment - 5 years
  - iv. Kitchen equipment - 5 years
  - v. Laboratory Equipment - 5 years
  - vi. Instructional Equipment - 5 years
  - vii. Telephone and Communications - 7 years
  - viii. Furnitures and Office Equipment - 8 years
  
- b. Motor Vehicles
  - i. Cars and Light Trucks - 5 years
  - ii. Buses and Vans - 10 years
  
- c. Buildings
  - i. Office Buildings - 30 years
  - ii. Building Improvements - 20 years
  
- d. Land Improvements
  - i. Structures - 20 years
  - ii. Ground Work - 20 years
  
- e. Infrastructures
  - i. Drainage Systems - 20 years
  - ii. Roads - 20 years

**Should a particular asset undergoes repair/refurbishment or an additional accessory is added, and such action will prolong the useful life of the asset, the cost incurred shall be added to the cost of the asset and the corresponding depreciation cost shall be recomputed accordingly. The adjustment of the depreciation expense shall be done prospectively.**

All fixed assets for the National Campus purchased prior to FY 1994 (October 1, 1993) will be fully depreciated, except for Buildings and Instructional Materials which shall be depreciated over a five-year period beginning with FY 1995.

### PURPOSE :

**To define the depreciation policy in order to properly distribute the cost of the asset over its useful life.**

## **APPLICATION:**

This policy applies to all tangible assets of the COM-FSM.

## **PROCEDURES :**

1. **Depreciation Cost shall be spread over its useful life as stated above.**
2. **The corresponding depreciation cost of a particular asset shall be computed as follows using the straight line method:**

**Annual Depreciation Cost = (Cost of the Asset – Residual/Salvage Value)/Estimated Useful Life**

3. **To determine the new depreciation cost as a as a result of changes in the useful life, the following formula shall be used:**

**To compute for the New Depreciation Cost of a particular asset:**

**(Original Depreciable Value – Accumulated Depreciation)/New Useful Life**

**To compute for the Depreciation Cost of the Cost of Repair/Refurbishment:**

**Additional Depreciation Cost = Cost of Repair/Refurbishment /New Useful Life**

**Total Depreciation Cost = New Depreciation Cost of the Asset +  
Additional Depreciation Cost**

## **RESPONSIBILITY :**

**General Accountant - to record all costs related to a particular asset and determines its relevance in the computation of Depreciation**

## **DEFINITION OF TERMS :**

**Useful Life – the number of years expected for a particular asset to be of use.**

**Depreciation – The process of allocating the cost of a particular asset over its useful life.**

**Residual/Salvage Value – the value of the asset when disposed of after fully serving its useful life.**

## **REFERENCE:**

**Board of Regent’s Approval, August 28, 1996**

**GASB 35**

## BUSINESS FINANCE 6.4 DISPOSAL OF SURPLUS PROPERTIES

### **POLICY :**

The following shall trigger the disposal of a particular asset:

- The property is declared as of no use or obsolete
- The property has been declared as inoperable or damaged.

The exercise of identifying surplus properties shall be done at least annually. The List of Surplus Properties shall be submitted to the respective **Vice Presidents** for recommending approval. Said list shall be submitted to the Surplus Property Committee for evaluation. However, before finally disposing the asset, those that are still usable shall be offered to the whole community.

The Surplus Committee shall be comprised of the Director of Maintenance, who shall chair the Committee, representatives from the Business Office, Information Technology (**for IT related assets**) and the **Division/Campus/Office submitting the asset**.

The disposal of the abovementioned property shall be done through competitive bidding, quick sale or dumping and shall be administered by an Ad Hoc Committee, composed of three members, created for the purpose.

The whole proceeds from the sale of the surplus property shall be allocated to the Campus, Division, Office or Program where the property emanated.

### **PURPOSE :**

To define policies and procedures for the disposal of surplus property.

### **APPLICATION :**

This policy shall apply to the entire COM-FSM community.

### **PROCEDURES :**

1. At least annually, each group shall identify all assets for disposal. The List of Assets for Disposal shall be submitted to the respective Vice Presidents for evaluation. In the case of the Campuses, the same shall first be evaluated by the Campus Directors.
2. The Vice Presidents, concerned shall evaluate the list and identify which among the list shall be recommended for disposal. **The Vice President concerned may find use on some of the property listed (especially those that are still in operation or in good condition) to a particular unit under his group. Appropriate documentation shall be done for transfer of assets to other units; copy furnished the Business Office for appropriate accounting treatment.**

3. The Final List of Disposable Asset shall be forwarded to the Surplus Property Committee for evaluation. The List shall include a description of the property (location, serial no., property no., color and other relevant information), condition of the property and the reason for classifying the property as surplus.
4. The Surplus Property Committee shall publish the List of Surplus Property to allow other groups who may be interested on getting them. Appropriate documentation shall be done for transfer of assets to the other group; copy furnished the Business Office for appropriate accounting treatment.
5. The Final List of Disposable Assets shall be forwarded to the Ad Hoc Committee, created for the purpose.
6. The Ad Hoc Committee shall then prepare the Bid Documents. The Bid Documents shall include the following information:
  - a. Description of the Asset for disposal
  - b. General Condition of the Asset
  - c. Minimum Bid Price
  - d. Location and Time when the Asset may be examined
  - e. Time and Place for the Receipt of Sealed Bids.
  - f. Time and Place for the Opening of the Bids
  - g. Time and Place for the Declaration of Winner
  - h. Conditions on Payment and Withdrawal of Assets
7. The Invitation to Bid shall be posted in at least three public places on the island on which the property is situated and in the National Campus. Said Public Notice shall be posted at least 14 days before the last date of bid submission.
8. The Ad Hoc Committee shall open the bids at the appointed time and place. The proponents may be present during the opening of the bids. However, their presence shall not be considered as a prerequisite to winning.
9. The Ad Hoc Committee shall evaluate all bids received. All Bid proposals that are not in conformity with the requirements set forth in the Invitation to Bid shall be rejected/disqualified. The bid proposal, which is most beneficial to the College, shall be declared as the winner.
10. The Declaration of Winner shall be done within five days, depending on the nature of the Assets for disposal.
11. The Ad Hoc Committee shall post the List of the Winning and Second Place Bidders. The winning bidder shall be given 48 hours to pay the full bid amount and remove the bided items from the COM-FSM premises. In the event the winning bidder fails to meet the payment requirements, the second place bidder shall be notified in writing. The second place bidder shall also have 48 hours upon receipt of notice to pay the full bid amount. In the event the second bidder fails to meet the payment requirements, the Ad Hoc Committee shall have the option to offer it to the third bidder or declare the bidding process as “Failed” and a re-bid shall be undertaken.

12. **If there are no bidders on the first notice, the Ad Hoc Committee shall undertake a second notice of invitation to bid and shall follow the same procedures set forth in nos. 7 to 11. If the second one is still unsuccessful, the Ad Hoc Committee shall recommend to the Chairman of the Surplus Property Committee the appropriate mode of disposal which could either be through quick sale, auction, donation or dumping.**
13. **The final result of the disposal shall be reported to the President through the Surplus Property Committee, copy furnished the Business Office. The report shall state the result of the disposal indicating the list of the disposed property, mode of disposal (sale thru bidding, quick sale or auction, donation or dumping), the buyer or the recipient, and amount of proceeds.**

#### **RESPONSIBILITY :**

**Department/Office/Campus – responsible in identifying surplus properties and organizing the Ad Hoc Committee**

**Vice Presidents Concerned – submits consolidated lists to the Surplus Committee**

**Surplus Property Committee – evaluates List of Surplus Properties submitted by each group**

**Ad Hoc Committee – handles the disposal of property, as far as practicable, thru sealed bidding, and remits the proceeds to the Business Office.**

**Business Office – responsible in handling the proceeds of the disposed properties and the proper accounting of the transaction**

#### **DEFINITION OF TERMS :**

**Surplus Property – any property owned by COM-FSM which are found to be of no use to the current owner, obsolete and/or damaged which are recommended for disposal.**

**Competitive Bidding – a process wherein several bid proposals are solicited and the most beneficial, usually the highest offer, is chosen as the winner.**

#### **REFERENCE :**

**BOR Meeting Minutes, March 2003**

**COM Board Resolution 90-1 dated July 10, 1990**

## **BUSINESS FINANCE 6.5 POLICY ON USE OF INSTRUCTIONAL EQUIPMENT**

### **POLICY :**

**The College of Micronesia-FSM instructional equipment is to be used primarily for providing instructional and educational experiences to students enrolled in bona fide courses and workshops.**

**Uses other than for instructional purposes may be granted provided:**

- a) Such use does not interfere with regular, normal course instruction or with supplemental exercises associated with such courses;**
- b) The equipment is not used for personal, political or commercial enterprises;**
- c) Such use does not disrupt any of the College programs;**
- d) Such use does not create or increase the risk of liability to the College;**
- e) Such use has minimal impact on the resources of the College (electricity cost, expendable materials, increased chance of loss of equipment, etc.);**
- f) Staff is available to supervise the use of the equipment when required; and**
- g) The user is qualified to use the equipment in a safe and reliable manner.**

**Priority for usage of instructional equipment is as follows:**

- a) Use by faculty and students currently enrolled at the College for regular instructional course;**
- b) Use by faculty and students which is supplemental to instruction of regular courses;**
- c) Use by faculty and students for non-instructional purposes (as community service presentations, extended interest generated by a course, etc.); and**
- d) Use by non-faculty or non-student members of the community for educational or community service purposes.**

**The person checking out the equipment is responsible for the repair or replacement should the equipment be damaged or lost while in the borrower's custody.**

### **PURPOSE :**

**To establish the policy on the use of instructional equipment in order to maximize its use.**

### **APPLICATION :**

**This policy shall apply to all members of the College who intends to use any of the instructional equipment, whether for instructional or non-instructional purposes.**



## PROCEDURES :

1. **All requests for use** of instructional equipment shall be made using the "Request To Use Instructional Equipment" form.
2. **If the equipment is for instructional use, and the borrower is a student, the request shall be endorsed by the Instructor. However, if it is the Instructor who is requesting, there is no need for an endorsement.**
3. **If the equipment is for non-instructional use, the request shall be submitted first to the Vice President for Instructional Affairs or Campus Directors for approval.**
4. **The approved request shall be forwarded to the Custodian for scheduling.**
5. **The Custodian shall explain to the borrower the conditions and procedure for allowing the use of the equipment. The date of return of the equipment shall be cleared with the borrower.**
6. **A Gate Pass is prepared in case the equipment shall be brought out of the Campus premises.**
7. **A Check Out logbook shall be maintained where the release of the equipment shall be recorded and duly acknowledged by the borrower.**
8. **When the equipment is not returned on the agreed date, the Custodian shall make a follow up.**
9. **Upon return of the equipment, the Custodian shall check the condition of the equipment and record the return in the Check Out Log. The Custodian shall report any damage or loss of the equipment to the Vice President for Instructional Affairs or State Campus Director for appropriate action.**

## RESPONSIBILITIES :

**Borrower – take extra care of the equipment borrowed.**

**Instructors – endorses requests made by students**

**Vice President for Instructional Affairs/Campus Directors – approves requests for instructional equipment to be used for non-instructional purposes.**

**Custodian – monitors usage of equipment**

**DEFINITION OF TERMS :**

**Bona fide courses - Instructional courses sanctioned by the College.**

**Custodian - The person in whose care the equipment is placed.**

**Instructional Equipment - Equipment that are used in delivering and supporting instructional services.**

**REFERENCE :**

**Hawaii Community College System**

## BUSINESS FINANCE 6.6 VEHICLE POLICY

### POLICY :

All vehicles owned or leased by the College of Micronesia – FSM are under the administrative management and control of the Office of the VP-Administration. **For those which are located at the State Campuses, the administrative management and control is delegated to the Campus Directors.** Exceptions are the vehicles assigned to the Office of the President by the COM-FSM Board of Regents and all vehicles funded through the Cooperative Research and Extension Service (CRES) which due to the requirements of the US Department of Agriculture are to remain under the responsibility of the VP-CRES or the designated CRES representative.

College vehicles are to be used only for official college business and driven by authorized employees of the College who are at least 25 years of age and possess a valid operator's license for the class of the vehicle driven. **It is expected from all users of the vehicle to take extra care in its handling.**

The privilege of driving college vehicles may be suspended or permanently revoked by the VP-Administration or the Campus Director for:

- a. Unauthorized use of college vehicles and/or non-compliance with the procedures outlined in this policy
- b. At-fault accident
- c. Repeated traffic violations
- d. Driving under the influence of alcohol and/or illegal drugs

### PURPOSE :

The purpose of this policy is to set the guidelines for the acquisition, maintenance, use and disposal of vehicles.

### APPLICATION :

This policy applies to all employees of the College, except the President.

### PROCEDURES :

#### Vehicle Identification

1. All college vehicles are to bear the college seal on the outside of both front doors or for vehicles without doors, on any other visible location on the vehicle.

## Administrative Management

1. Acquisition, maintenance and licensing of all vehicles are to be performed by the Maintenance Divisions/Units (MDU) at all campuses under the direct supervision of the VP-Administration/Campus Directors.
2. The MDU are to determine the type of vehicle to be purchased taking into consideration the following factors:
  - a. Departmental needs
  - b. Budget constraints
  - c. Vehicle's recorded **performance**, reliability, maintenance cost and fuel efficiency.
3. The MDU are to determine when disposal of college vehicles should occur. The Policy on Disposal of Surplus Properties discussed in Business Finance 6.4 is to be applied.

## Official Uses

1. College vehicles are to be used only to transport students, employees and guests on official business or to college-sponsored activities. No fare is to be charged for the transportation. College vehicles are not to be used by college employees and students for personal purposes or to transport groups or individuals not affiliated with the College, unless authorized by the VP-Administration or Campus Director.
2. College vehicles are to be returned at the designated area at the College campus promptly after each official use. The vehicle keys are to be returned to the designated office after each use. College vehicles are not allowed to be parked at an employee's residence before or after official use, unless there is prior written permission from the VP-Administration or the Campus Director.

If this arrangement is sought, the immediate supervisor or the next higher authority is to submit a letter to VP-Administration or Campus Director justifying the request. If approved, a copy of the authorization is to be provided to the employee, the employee's immediate supervisor and the MDU. Such authorizations may not be longer than 48 hours, but may be renewed following the same procedures discussed herein.

Since Campus Directors are **on-call** 24 hours a day, they may request approval from the President to keep a college vehicle at their place of residence, observing strictly the policy on Official Uses.

## Insurance

1. All college vehicles are to be insured for both liability and bodily injury with commercial insurers. **A month before the expiration of the insurance, the Comptroller shall provide the MDU the list of vehicles for insurance coverage. The MDU shall review the list and advise the Comptroller on the vehicles that will still be enrolled. It is the responsibility of the Comptroller to negotiate with the commercial insurers and ensure that all vehicles have insurance coverage at all times.**

### **Traffic Violations**

1. Drivers of college vehicles are personally responsible for fines, forfeitures of bail, or other penalties resulting from parking and traffic violations and citations or for other infractions or violations of law involving motor vehicles when the driver is at fault.

### **Vehicle Accidents**

1. Drivers of college vehicles who are involved in an accident are to immediately report the accident to the State Police and the Security Office (for National Campus) or the Campus Director (for State Campuses). A complete Accident Report is required from the involved driver.
2. A copy of the Accident Report, supported by a Police Report, shall be forwarded to the VP-Administration for information and copy furnished the Comptroller, who shall immediately inform the insurance company for the processing of claims.
3. When property damages and bodily injuries are involved and the driver is at fault, as determined by the Public Safety Office, the driver is to assume total liability for the accident if expenses are not covered by the college's insurance policy. However, if the accident is covered, the driver is liable for the deductible and any excess amount not covered by the insurance policy.
4. With prior approval from the President, assistance may be given to the driver at fault in paying for damages and injuries and repayment of which shall be done through payroll deduction. The driver and the VP-Administration shall agree on the repayment schedule.

### **Mechanical or Safety Defects**

1. Mechanical or safety defects are to be promptly reported to the MDU.
2. Upon receipt of such report, the MDU is to inspect the vehicle and take appropriate action to bring the vehicle into compliance with the College safety standards.

### **Cleanliness**

1. The MDU are to ensure that college vehicles are maintained in clean condition. Drivers of college vehicles are to clean up any trash in the vehicle before returning it.

### **Motor Vehicle Record**

1. The MDU are to maintain records of each vehicle. There will be two types of record to maintain, namely, Individual Vehicle Record (IVR) and Vehicle Daily Use Log (VDUL).
2. The IVR provides for the history of the vehicle and shall contain the following data (but not limited to):
  - Plate No

- **Make and Brand of vehicle**
  - **Dates of annual safety inspections**
  - **Dates of semi-annual maintenance inspection**
  - **Odometer reading at the end of each six month period**
  - **Description of general condition of the vehicle at the time of inspection (safety or maintenance inspection)**
  - **Dates and descriptions of repairs made**
  - **License Number issued**
3. **The VDUL records all trips of the vehicle. All employees driving the college vehicle are to accomplish the VDUL before and after every trip.**

**Non-Compliance**

1. **Prior to ordering suspension or revocation, the VP-Administration or the Campus Director is to give notice of the proposed action to employee and provide an opportunity for informal hearing.**

**RESPONSIBILITY :**

**President – approves requests from Campus Directors to keep college vehicle at their place of residence**

**VP-Administration/Campus Director – administrative management and control of all vehicles under their jurisdiction**

**Maintenance Division/Unit – acquisition, maintenance and licensing of all vehicles**

**Drivers - to take extra care of the vehicle while in their custody;**

**Comptroller – insures all vehicle and files claims to the insurance company, if any**

**DEFINITION OF TERMS :**

**College Vehicle – any vehicle, cars, trucks, buses, vans, bikes, motorbikes, and boats, owned or leased by the COM-FSM and any other vehicle so designated by the COM-FSM Board of Regents, except that authorized to the President by the Board.**

**Official College Business – the authorized activities of the College employees, students, and designated agents related to approved programs and functions of the College and its departments, divisions and offices and related organizations.**

**REFERENCES :**

**Draft Policy dated November 17, 2006**

**The Support and Student Affairs Management and Maintenance Division Meetings  
Minutes**

**University of Utah**

## **BUSINESS FINANCE 6.7.1 PALIKIR CAMPUS DEED**



**BUSINESS FINANCE 6.7.2 AGREEMENT TO CONVEY PROPERTY BY DEED – CHUUK  
CAMPUS**

**BUSINESS FINANCE 6.7.3 LEASE AGREEMENT – POHNPEI CAMPUS**

**BUSINESS FINANCE 6.7.4 LEASE AGREEMENT COM-FSM USE OF GOVERNMENT LAND  
– KOSRAE CAMPUS**

**BUSINESS FINANCE 6.7.5 LEASE AGREEMENT – YAP CAMPUS**

## **BUSINESS FINANCE 6.8 NON-PAYMENT OF PLANT, TREES, CROPS PLANTED BY OTHERS ON COLLEGE PROPERTY**

### **POLICY :**

**It shall be the policy of the College not to compensate individuals for the removal or destruction of plants, crops, or trees planted on College property.**

### **PURPOSE :**

**This policy is needed to provide the College administration guidance in dealing with owners of land adjacent to the College who have planted trees, crops, or other types of plants on College property when College development necessitates the removal and/or destruction of such planted items.**

### **APPLICATION :**

**This policy shall apply to all College property.**

### **PROCEDURES :**

- 1. When the College embarks on development/improvement of its property and there are planted trees or other types of plants and crops owned by private individuals on the site, the Head, Facilities and Security shall verify the owner of the said plants and inform them **in person and in writing** on the plan of the College. **As far as practicable, the owner of the plants shall be asked to acknowledge the notice.****
- 2. The person(s) who planted the items will be notified that there is a need to remove the planted items and will be given an opportunity to remove them. The College will assist in the removal and transplantation of the plants, if necessary.**
- 3. If the person(s) who planted the items refuses to remove them and refuses to have them moved for them, the College will document by photograph and in writing the items to be removed and proceed with the removal. The actual costs incurred in removing the planted items will also be documented.**

### **RESPONSIBILITIES :**

**Head, Plant Operation - notify the owner and coordinate the clearing of the site**

### **REFERENCE :**

**COM-FSM Board of Regents, July 20, 1994**

## **7.0 AUXILIARY SERVICES**

## **BUSINESS FINANCE 7.1 BOOKSTORE OPERATION**

### **POLICY :**

**The COM-FSM Bookstore is an institution-wide auxiliary enterprise of COM-FSM and intends to be self-sufficient. The Bookstore was primarily established to provide the instructional materials needed by students, faculty and staff.**

**The Bookstore shall be under the supervision of the Comptroller and the Bookstore Manager shall handle the day-to-day business affairs.**

**The College shall maintain one bookstore in each campus which shall be part of the COM-FSM Bookstore. The functional operation of the Campus Bookstore shall be under the supervision of the Bookstore Manager. However, the administrative supervision shall be under the State Campus Director and delegated to the Fiscal Officer.**

**Financial Reports and budgets of the National Campus and State Campus Bookstores shall be consolidated under the COM-FSM Bookstore, where separate Fund is maintained.**

### **PURPOSE :**

**The purpose of this policy is to establish and implement the institution-wide operating policies and procedures of the COM-FSM Bookstore.**

### **APPLICATION :**

**This shall apply to all faculty, staff, and students who use the COM-FSM Bookstore.**

### **PROCEDURES :**

#### **Textbook Adoption**

- 1. All textbook requests, including laboratory workbooks and custom manuals produced for the course by the Division Chairs, Coordinators and Instructors at all campuses shall be documented by the Textbook Adoption Form (TAF).**

2. The TAF must be signed by the Division Chair/Coordinator and approved by the VP – Instructional Affairs and submitted to the Bookstore Manager (thru e-mail) on or before the following deadlines:

May 1 <sup>st</sup>	-	Fall Semester Textbook adoption
October 1 <sup>st</sup>	-	Spring Semester Textbook Adoption
March 1 <sup>st</sup>	-	Summer Semester Textbook Adoption

The above schedule will provide enough lead-time to ensure availability of textbooks to the students before the 1<sup>st</sup> day of instruction.

3. Changes in the submitted TAF must be immediately communicated (thru e-mail) to the Bookstore Manager
4. If for any reason, the Division/Program/State Campus decides not to use the ordered textbooks, all shipping costs for returning the books shall be charged to the requisitioning Division/Campus. In addition, if the textbooks are not returnable anymore, all costs (including shipping cost) shall be charged to the Division/Campus.
5. The Bookstore Manager shall :
  - a. Send reminders to Division Chairs and State Campuses to submit the TAR
  - b. Notify Division Chair, Program Coordinators and Faculty on any new editions of the requested textbook or similar packages
  - c. Consolidate orders from different Divisions and Campuses and cause its purchase
  - d. Confirm orders with the Division Chairs/Campus Directors and furnish them with copies of approved Purchase Order.
  - e. Update the Vice president for Instructional Affairs, Director for Academic Affairs, Division Chairs, Campus Directors and Instructional Coordinators and other concerned Officers on the status of orders and any delays that may be incurred, if any.
  - f. Comply with copyright regulations and secure copyright permissions prior to reproduction of any publication, etc..

### Determining Quantities

1. One of the primary goals of the COM-FSM Bookstore is to provide course materials at the right quantity for each class scheduled every term. Thus, the Bookstore Manager shall closely coordinate with the Division Chairs/Program Coordinators in determining the estimated order quantities of each course material requested to avoid running out of stocks or overstocking.
2. The Bookstore Manager shall review and analyze the order quantities, taking into consideration the current inventory, projected buybacks, **number of enrollees** and historical information.



## Buyback

1. **Book buybacks shall be held year round. However, students shall have a better price during “Buyback Periods” which is usually held during the final examination week of the term. Announcements shall be posted in conspicuous places within the campus.**
2. **The Bookstore shall be provided with a Buyback Fund for purchasing used books from the students. The amount of Fund shall be determined and requested by the Bookstore Manager and approved by the Comptroller. The Custodian of the Buyback Fund shall be the Business Manager/Fiscal Officer. Payments shall be claimed from the Custodian and not from the Bookstore.**
3. **In general, used books will be purchased at a price of fifty percent of the selling price (except during Buyback period wherein additional premium maybe offered as recommended by the Bookstore Manager and approved by the Comptroller) under the following conditions:**
  - a. **No excessive markings**
  - b. **Not damaged**
  - c. **Same book edition as specified in the TAF**
  - d. **Seller has proper identification**
  - e. **Book is not a complimentary copy**
4. **The buyback shall be documented thru a pre-numbered Book Buyback Receipt (BBR). The Bookstore personnel shall indicate in the book the BBR No. and the date inside the cover page of the book for future reference. Also, the barcode of the book shall be cancelled using a permanent pen, to differentiate it from new ones.**
5. **The student shall present the BBR to the Buyback Fund Custodian for payment.**
6. **Before the buyback book is sold, the same shall be entered in the Stock Library of the POS System for inventory purposes. The code provided by the publisher (bar code), shall not be used and instead a different Stock Code shall be assigned.**

## Clearing and Receiving of Shipments from Supplier

1. **Bookstore personnel shall constantly check with the Post Office/UPS/FedEx/Continental Airlines or any other carriers the arrival of the ordered books.**
2. **Bookstore Personnel shall handle the clearing and receiving of shipments of ordered textbooks from the supplier.**
3. **Taxes, handling fees and other shipping costs may be paid from the Business Office Petty Cash Fund to expedite the clearing process.**
4. **The books/goods received shall be checked and actual quantity received shall be compared against the Supplier’s Delivery Receipt (DR) and/or Invoice and Purchase**

Order (PO). Actual receipt shall be documented in a Receiving Report (RR). If there are discrepancies between the items received and the DR, a notation should be made in the DR and the RR. The Bookstore Manager shall compare the RR with the PO. All discrepancies should be communicated to the supplier within three working days.

5. **Details of the Deliveries shall be entered in the Bookstore POS and Inventory System (B-PIS).**

### Distribution to State Campuses

1. **Bookstore Manager shall handle the shipment of textbooks to the State Campuses at the earliest possible time and shall send an advice thru e-mail to the State Campus Director, Fiscal Officer, Instructional Coordinator and Bookstore Assistant.**
2. **The items to be released/shipped to each campus shall be recorded as A/R in the B-PIS and the corresponding Charge Invoice shall be generated. The price indicated in the Invoice is the Bookstore's Selling price. The final price at the State Campuses shall be the Selling Price in the Charge Invoice plus any additional shipping/handling cost.**
3. **The Invoice shall be attached to the Delivery Receipt and shall be shipped on "freight collect" mode.**
4. **The State Campus Bookstores shall handle the clearing and paying of the freight, local tax, handling and other expenses from the Imprest Fund. The National Campus Bookstore shall reimburse the expenses incurred by the State Campuses when the fund is replenished. This particular expense shall be noted in the replenishment as "for reimbursement by the Bookstore".**
5. **The Bookstore Assistant and the Fiscal Officer shall:**
  - a. **Ensure that the books are cleared and received by the Campus without delay**
  - b. **Check the items received against the delivery**
  - c. **Send an e-mail attaching a copy of the DR and Invoice duly acknowledged with all other receipts representing other expenses paid for the clearing of the shipment to the Bookstore Manager within two working days**
  - d. **File the DR and all other documents for future reference.**

### Pricing

1. **The following pricing mark-ups shall be adopted:**

• Textbooks and other course materials	-	20%
• School Supplies (local procurement)	-	10%
• School Supplies (off-island procurement)	-	25%
• Apparel and other items	-	30%
• Food and Drinks	-	10%
• Printed Copies	-	10%

2. The mark-up shall be applied to the landed cost as follows:

**Landed Cost = Invoice price of the Item + Allocated Freight for the Item + Taxes/Other Fees**

**Retail Price = Total Cost + (Total Cost X Mark Up)**

**Allocated Freight for the Item = Freight Cost ÷ Total Quantity**

3. For the State Campuses, the Retail Price shall be the Unit Cost indicated in the Charge Invoice plus the Allocated Freight Cost.
4. The Price analysis Form (PAF) shall be used to document the calculation of the Retail Prices. The PAF shall be prepared by the Bookstore Assistant and reviewed by the Bookstore Manager for the National Campus and the Fiscal Officer for the State Campuses.

### Selling Operation

1. All items for sale should be recorded in the B-PIS before displaying in the selling area. For those without B-PIS yet, price tags should be placed on the item.
2. All sales shall be recorded in the B-PIS or the Cash Register, whichever is applicable.
3. All items for sale in the COM-FSM Bookstore shall belong to a particular group. The coding scheme to be adopted is as follows:

<b>Group Codes</b>	<b>Description</b>
<b>200</b>	<b>Textbooks</b>
<b>211</b>	<b>Social Science Dept.</b>
<b>212</b>	<b>Education Dept.</b>
<b>213</b>	<b>Business/Accounting Dept.</b>
<b>214</b>	<b>Math and Science Dept.</b>
<b>215</b>	<b>English (Language/Lit.) Dept.</b>
<b>216</b>	<b>Vocational Dept.</b>
<b>217</b>	<b>Agriculture Dept.</b>
<b>221</b>	<b>Exercise Sports Science</b>
<b>291</b>	<b>Magazines and Journals</b>
<b>295</b>	<b>Other Reference Materials</b>
<b>300</b>	<b>For Future Use</b>
<b>400</b>	<b>Computer, hardware, software and accessories</b>
<b>411</b>	<b>Flash drives</b>
<b>500</b>	<b>School Supplies</b>

<b>600</b>	<b>Apparels</b>
<b>700</b>	<b>For Future Use</b>
<b>800</b>	<b>Food Items</b>

4. **Cash Receipts from the collection of receivables and other cash receipts shall be documented by an Official Receipt and should not be entered in the B-PIS or the Cash Register.**
5. **The Bookstore Manager/Fiscal Officer shall generate the Daily Sales Report (by mode of payment) and shall compare the actual cash on hand of the Bookstore Assistant.**
6. **All sales must be remitted to the Business Office or the Fiscal Officer together with the Daily Sales Report at the end of the day for deposit to the COM-FSM Bookstore Account. A copy of the deposit slip must be scanned and e-mailed to the Bookstore Manager.**
7. **Change Funds shall be provided for each Bookstore at all campuses. The Comptroller based on the need per Campus shall determine the amount of Change Fund. **Initially, the National Campus Bookstore has a Change Fund of \$300.** The Change Fund must be counted by the Business Office or Fiscal Officer at the end of the day to ensure that the Change Fund is kept intact.**
8. **In order to minimize theft and pilferages, the Bookstore must have a baggage counter and no customers will be allowed to enter the bookstore selling area with their bags.**
9. **Fiscal Officers should see to it that the required reports are submitted to the Bookstore Manager within the scheduled due dates.**

### Charge Account

1. **The Bookstore will only extend credit charges to qualified students. Qualified students are those with certified “Authorization to Charge Textbooks” from the Financial Aid Office and a valid COM-FSM ID. Likewise, students may also be allowed to charge against their refund balance after securing an authorization from the Business Office/Fiscal Officer. Also allowed are students covered under a signed Memorandum of Understanding or Contract duly approved by the College President.**
2. **COM-FSM Departments/Offices may also withdraw stocks from the Bookstore on charge basis (A/R), provided an approved PO is presented. **Served POs are forwarded to the Business Office for processing of Payment.****
3. **All Charge transactions shall be covered by a Charge Invoice.**

4. The Bookstore Assistant shall submit to the Business Office/Fiscal Officer a Schedule of Accounts Receivables – Students every semester within the following schedule:
  - a. Fall/Spring - by the end of the third week of instructions
  - b. Summer - by the end of the second week of instructions

#### **Instructor and Duplicated Materials**

1. Due to the confidential contents of the Instructor's materials, Instructors must request the Instructor's editions, manuals, examination copies, desk copies and other supplementary materials directly from the publisher. Most publishers acknowledge e-mail request as long as required information in the Desk Copy Request form are provided. Faculty can secure the publisher's contact information from the Bookstore Manager.
2. Printing of hard to obtain materials, out of print materials, cleared of copyright restrictions, and Instructor-generated materials can be handled by the Bookstore. A ten percent (10%) margin will be applied to the cost of printing, collating and binding.

#### **Physical Inventory of Stocks**

1. A physical count of all stocks shall be conducted every end of fiscal year (September 30) to determine the level and value of inventory. The Bookstore Manager shall provide the schedule, guidelines and procedures for conducting the fiscal year-end inventory.
2. During the inventory taking, the Bookstore shall be closed. Announcements shall be made prior to the scheduled activity. As far as practicable the whole undertaking shall be finished in a day and shall be scheduled on a non-peak day/hours.
3. The physical count must be performed under the supervision of the Bookstore Manager/Fiscal Officer and witnessed by the Auditor or representative from the Business Office. The actual count shall be compared with the "Stock Balances Report" generated from the B-PIS. Any discrepancy shall be noted in the Inventory Report, for proper disposition.
4. Copy of the physical inventory shall be forwarded to the Business Office within the first week of October.
5. Textbooks that were ordered by Instructors but were not used and became obsolete will be charged and returned to the corresponding department or campus for their use. The return shall be treated as Accounts Receivables –Department in the B-PIS. A copy of the Invoice shall be forwarded to the Business Office (with notation) for processing of payment.
6. The Bookstore shall provide for an obsolescence allowance of 30% from the total cost of inventory in order to reflect an accurate market value of the stocks and for financial

statement purposes. **The First-In-First-Out Method shall be adopted in the valuation of the inventory.**

- 7. Physical Inventory of textbooks may likewise be conducted a month prior to the order deadlines to determine the level of stocks before placing the new orders. Although this information may also be generated/inquired from the B-PIS.**
- 8. For those without yet an Inventory System in place, stock cards shall be maintained to monitor movements of textbooks and other stocks in the Bookstore.**

### **Sales Returns**

- 1. In general, all sales at the COM-FSM Bookstore are final. However, the Bookstore may accommodate sales returns of textbooks or certain items under the following conditions:
  - a. The item is still in the same condition when it was purchased (no markings and not damaged) and**
  - b. The return is done within three (3) days from the date of the purchase and the receipt is presented.****
- 2. Computer accessories (e.g. softwares, diskettes, USB memory, and other media storage devices, etc.) and food items may be returned only within the day it was purchased.**
- 3. Returns shall be recorded in the B-PIS. If the return is within the day, the Bookstore Assistant shall enter it in the B-PIS. If the return is for purchases made on previous days, the Bookstore Manager shall do the return at the Administrator module.**

### **Bookstore Hours**

- 1. The regular business hours of the COM-FSM Bookstore are from Monday to Friday, from 8:30 to 4:30. At the National Campus, the Bookstore shall stay open during lunch hour except during the first week of instruction. For State Campuses, the State directors in coordination with the Bookstore Manager may opt to implement different business hours if it can provide better service to the students. Extended hours can be provided during rush periods such as start of the semester.**
- 2. The Bookstore is closed during weekends and Holidays according to the College policy on Holidays.**

### **RESPONSIBILITIES :**

**Bookstore Manager – responsible for the whole operation of the COM-FSM Bookstore and institutes control to ensure safeguard of the stocks in the Bookstore**

**Division Chair/Coordinator/State Campus Director – identifies textbooks requirements**

**Fiscal Officer – acts as the Bookstore Manager in the Campus**

**Bookstore Assistant – assists the Bookstore Manager/Fiscal Officer in the sales operation of the Bookstore and the shipping of stocks to the State Campuses**

**Comptroller – oversees the operation of the Bookstore**

**DEFINITION OF TERMS :**

**Buyback – a process where the Bookstore agrees to buy the used books of the students**

**Mark – up – percentage of cost added to the landed cost to arrive at the retail price.**

**Landed Cost – acquisition cost and other cost incurred such as shipping, taxes, handling, packaging, etc. to make the goods ready for sale.**

**Retail Price – the price of the goods that will be charged to the buyer.**

**Bookstore Point of Sale and Inventory System – a computerized system designed to account for the sales of the Bookstore and monitor the stock balances of the Bookstore.**

**Stock Balance – quantity on hand of each stock as of last posting date of sales.**

**Change Fund – an amount held by the Bookstore to be used to give change to the Bookstore customer.**

**Obsolete Textbooks – textbooks that did not move in the Bookstore for three or more semesters.**

**First-in-First-Out – a method whereby the stock which was received first is assumed to be the first to be sold. This is use for valuation purposes.**

**REFERENCES :**

**Memorandum from Bookstore Manager to all Departments, April 28, 1998**

## **BUSINESS FINANCE 7.2 CAFETERIA OPERATIONS**

### **POLICY :**

**The COM-FSM Cafeteria at the National Campus is a non-profit undertaking of the College. The Cafeteria is purposely created to provide decent meals to all its students, faculty and staff. The food served follows an “Eat-all-you-can” style.**

**The Cafeteria is under the supervision of the Comptroller and its day-to-day operation is managed by the Cafeteria Manager.**

**The COM-FSM shall be operated in compliance with the Restaurant and Food Selling Guidelines from Pohnpei State (See attached copy).**

### **PURPOSE :**

**The purpose of this policy is to define the operating policies and procedures of the COM-FSM Cafeteria.**

### **APPLICATION :**

**This policy applies to all members of the COM-FSM community, including guests who are benefited from the services of the Cafeteria.**

### **PROCEDURES :**

#### **Cafeteria Budget**

- 1. The COM-FSM Cafeteria shall have its own budget separate from that of the Business Office.**
- 2. Operating Budget of the Cafeteria shall be based on estimated number of enrollees within the fiscal year. It is assumed that 70% of the enrollees shall be staying at the College Dormitory and thus would be availing of three (3) meals (breakfast, lunch and dinner), seven (7) days a week and the rest will just be availing of one meal (lunch), five days (5) a week.**
- 3. The cost per day per student for those staying at the College Dormitory is \$8 and for those not staying is \$3.**
- 4. An additional allowance of 10% of the total estimated budget is added for contingency.**



## Menu Planning

1. **Menu Plan is prepared one week in advance. The Menu Plan covers all the dishes that will be served for the whole week in all the meals (breakfast, lunch, dinner).**
2. **The Cafeteria Manager shall see to it that a balanced meal is served. For breakfast, menu shall always contain the following:**
  - a. **Main Dish**
  - b. **Bread or Rice**
  - c. **Fruits**
  - d. **Drinks**

**For lunch and dinner, the menu shall contain the following:**

- a. **Main Dish**
  - b. **Appetizer**
  - c. **Local Food such as Taro, Yam or Banana**
  - d. **Dessert**
  - e. **Juices**
3. **Menu pattern for the main dish during lunch and weekdays, where a majority of the College Community is partaking of the meals, shall be as follows:**
    - a. **Monday – Pork**
    - b. **Tuesday – Chicken**
    - c. **Wednesday – Beef**
    - d. **Thursday – Local, which is usually Fish**
    - e. **Friday – American**

**The menu pattern for dinner shall not be the same as that of lunch. The Cafeteria Manager shall exert effort to introduce variety of food preparations.**

4. **The Menu Plan shall be submitted to the Comptroller for approval.**

## Procurement

1. **Based on the approved Menu Plan, a Procurement List shall be prepared which shall contain all the requirements for the week to produce the desired meals. The number of servings shall be based on the actual enrollees (both on-campus and off-campus) plus 10% allowance for non-regular customers of the Cafeteria such as faculty, staff and other guests.**
2. **The prospective supplier shall be identified for each item and a telephone canvass is made.**
3. **Based on the results of the canvass, a Purchase Order (PO) is prepared. The set procurement procedures, after the preparation of PO, are followed.**

4. All dry ingredients and other supplies of the Cafeteria shall be kept in a secured room, access of which shall be limited to the Cafeteria Manager and Cafeteria Supervisor.

### Cafeteria Operating Hours

1. The Cafeteria shall operate on the following schedules:

- a. Monday to Friday

Breakfast	-	6:30 to 8:00 a.m.
Lunch	-	11:30 a.m. to 1:30 p.m.
Dinner	-	5:00 a.m. to 6:30 p.m.

- b. Saturday, Sunday, and Holidays

Breakfast	-	7:00 to 8:30 a.m.
Lunch	-	11:00 a.m. to 1:00 p.m.
Dinner	-	5:00 to 6:30 p.m.

2. To meet the above schedules, the staff and crew of the Cafeteria shall observe a different working hours from that of the offices in the College. Shifting schedules are as follows:

- a. 4:00 a.m. to 1:00 p.m.
- b. 5:30 a.m. to 2:30 p.m.
- c. 8:00 a.m. to 5:00 p.m.
- d. 10:00 a.m. to 7:00 p.m.

Each staff shall have two (2) days off and distributed throughout the week. The Cafeteria Manager shall see to it that personnel are distributed effectively to meet the demands of the Cafeteria operations.

### Control in the Serving of Food

1. At the start of the semester, all students on a meal plan shall be issued a Meal ID by the Business Office. The Meal ID shall be color-coded to distinguish the off-campus students from the on-campus students. The Meal ID shall be presented when claiming food at the cafeteria.
2. For those who are not on a meal plan, such as faculty, staff and guests, they can avail of the food served at the Cafeteria by buying Meal Tickets at either the Business Office or the Cafeteria. The Meal Ticket shall be surrendered to the Cafeteria staff before a meal is served.
3. To monitor the number of customers served per meal per day, a tally sheet shall be maintained at the food counter and the Cafeteria Staff shall make a tally of all customers served, classified as Off-Campus, On-Campus and Meal Tickets. Every month this shall be summarized and the Cafeteria Statistical Report shall be prepared and submitted to the

**Comptroller. At the end of the Fiscal Year, the Annual Statistical Report shall also be prepared and submitted to the Comptroller.**

### **Sale of Meal Tickets**

- 1. Meal Tickets shall be treated as accountable form and shall be given safeguard as that of the cash. The Meal Tickets shall be under the custody of the Business Manager.**
- 2. Meal Tickets shall be pre-numbered and kept in the vault. A record of all booklets issued shall be maintained duly acknowledged by the Cashier/Cafeteria Manager.**
- 3. Meal Tickets sold at the Business Office shall be included in the Daily Cash Collection of the Cashier, classified as such. Meal Tickets sold at the Cafeteria shall be reported on a weekly basis and shall be forwarded to the Business Manager together with the cash collected.**
- 4. The Business Manager shall from time to time audit the proceeds of the Meal Tickets and ensure that all Meal Tickets issued to either the Cashier or the Cafeteria Manager are fully accounted for.**

### **Decorum Inside the Cafeteria**

- 1. Students are to act in an orderly and courteous manner in the Cafeteria and to cooperate with the Cafeteria Staff.**
- 2. No food or utensils of any type are to be removed from the cafeteria without prior approval from the Cafeteria Manager.**
- 3. No food will be served to anyone except during the hours set in this policy.**
- 4. Food should be kept on the trays and not on the tables, floor or walls. Anything that is dropped on the floor or tables should be picked up and placed in the proper receptacle.**
- 5. All complaints should be directed to the student's delegation leaders then to the Student Council.**

### **Handling of Leftovers**

- 1. Under no circumstances are Cafeteria Staff to take home any food from the Cafeteria, whether cooked or uncooked.**
- 2. Whatever is left on a particular meal shall be served on the next meal in addition to the menu set for the day.**
- 3. Disposal of leftover food/wastes of the Cafeteria shall be disposed thru sale to interested parties. Selection shall be done thru bidding.**

4. When the leftover food is no longer fit for human consumption, said food shall be considered as waste for disposal. Wastes shall be put in a container provided by the Buyer and shall be collected regularly as agreed.

### **Restrictions**

1. No one is allowed to enter the kitchen, storage or office areas other than Cafeteria employees, the President, Vice Presidents, Comptroller, Work-Study students and if necessary, Business Office Manager.
2. Personal use of the Cafeteria and its equipment is not allowed. No employee of the Cafeteria is allowed to cook or bake for an individual who makes a request. In the same way, Cafeteria Staff are not allowed to use the equipment to prepare food for themselves, their families or their friends.
3. All special requests for the Cafeteria for College functions are to be made in writing and must be approved by the Comptroller.

### **RESPONSIBILITIES :**

**Comptroller - oversee the operation of the Cafeteria.**

**Cafeteria Manager - in-charge in the day-to-day operation of the Cafeteria and ensures that all requirements of the State Government is followed.**

### **DEFINITION OF TERMS :**

**Eat-all-you-can – a manner of serving food wherein customers can go back to the counter and get food as much as they can consume. There is no limit on the amount of food or drinks a customer is served.**

**Menu Plan – a list of food to be served per meal per day for a week.**

**On-campus Students – students living in the College Dormitory**

**Off-Campus Students – students not living in the College Dormitory.**

**Accountable Form – particular type of forms that require safeguarding due to its potential value or negotiability.**

### **REFERENCES :**

**COM-FSM Student Handbook 2005-2007**

**Memorandum to all Cafeteria Employees from the Comptroller re: Personal Use of the Cafeteria, January 20, 2000**

**Memorandum from the Comptroller to all COM-FSM Employees re: New Policy for the Cafeteria, December 1, 1994**

**Memorandum to Comptroller to the Cafeteria Supervisor re: Leftover Food, December 1, 1994**

**Treasurer's Directions , National Treasury, Australia**

## **RESTAURANT AND FOOD SELLING PLACES**

### **PART 20. GENERAL PROVISIONS**

- 20.1 Authority.** These regulations have been promulgated by the High Commissioner of the Trust Territory of the Pacific Islands in accordance with Section 612 of the Trust Territory Code. These regulations and any further amendments thereto shall be binding on all persons owning, managing or working in restaurants or food selling places.
- 20.2 Purpose.** To improve the service, equipment and structure of all food establishments in order to reduce the possible introduction and/or spread of disease within the Trust Territory.

### **PART 21. DEFINITION OF TERMS**

- 21.1 License.** An authorization, issued by the District Administrator, to operate a business establishment.
- 21.2 Permit.** An authorization, issued by the District Director of Health Services, when an establishment meets these minimum requirements and is approved for operation.
- 21.3 Health Certificate.** An authorization, issued by the District Director of Health Services, certifying that an applicant food handler has been examined and found to be free of pathogens and parasites.
- 21.4 Commissioner for Health Services.** The Commissioner for Health Services shall either personally or by his duly authorized representatives maintain and improve health and sanitary conditions; minimize and control communicable disease; establish standards of medical and dental care and practice; encourage scientific investigation in the field of health; supervise and administer all government-owned hospitals, sanitariums, clinics, dispensaries and such other medical and dental facilities as are or may be established throughout the Trust Territory.
- 21.5 Delegated Authority.** The High Commissioner has authorized the Commissioner for Health Services of the Trust Territory of the Pacific Islands, to represent-him in all matters pertaining to Health Services, establishing and enforcing such procedures necessary to protect the health of the people of the Trust Territory. The Commissioner for Health Services may delegate his authority in such areas as he deems necessary.
- 21.6 Person.** "Person" shall mean any person, firm, corporation, company or association.

- 21.7 Restaurant.** "Restaurant" shall mean restaurant, cafeteria, (including school cafeteria), lunchroom, luncheonette, lunch counter, soda fountain, soft drink dispenser, bar, tavern, liquor dispenser, caterer's premises and all other eating and/or drinking establishments, as well as kitchens or other places in which food or drink is prepared for sale elsewhere or as a part of a service of a hospital or institution caring for people.
- 21.8 Food Selling Place.** "Food Selling Place" shall mean any place that prepares food or drink for sale. This term shall include bakeries, drink manufacturers, ice cream makers, soy bean processing plants, fish markets and all other establishments that prepare or sell food or drink that are included under the term 'restaurant'.
- 21.9 Food Handler.** "Food Handler" shall mean any person who handles food or drink in a place where the food or drink is sold to the public. It shall also mean all persons who are hired to in homes, hotels, school kitchens, restaurants or food selling places where duties require the handling of food or drink or cooking utensils.
- 21.10 Utensils.** "Utensils" shall include all kitchenware, tableware, glassware, knives, forks, spoons, dishes, pots, pans, or other equipment with which food or drink is stored, prepared or served.

## **PART 22. EXAMINATION**

- 22.1 Examination.** Samples of food, drink or other substances may be taken and examined at any time, from any restaurant or food handling place, by the District Director of Health Services or his duly authorized representative.
- 22.2 Condemnation.** The District Director of Health Services or his duly authorized representative may condemn and forbid the sale of or cause to be removed from any restaurant or food-selling place any contaminated food item found therein.
- 22.3 Destructions.** The Director of Health Services or his duly authorized representative may order the destruction of any food or drank from restaurants or food selling places which is contaminated or otherwise unfit for human consumption.

## **PART 23. INFECTION**

- 23.1 Exclusion of Food Handlers.** The District Director of Health Services or his duly authorized representative may require the immediate exclusion of a food handler from any restaurant or food-selling place if suspicion arises as to the possibility of his or her transmitting any infectious disease.

- 23.2 Closure of Establishment.** The District Director of Health Services or his duly authorized representative may immediately close and keep closed, while the danger of disease exists, any restaurant or food selling place.
- 23.3 Adequate Examination.** If an infectious disease is suspected by the District Director of Health Services or his duly authorized representative he may require adequate medical examinations of the employee and his associates, with any laboratory examinations as may be indicated.

## **PART 24. INSPECTION**

- 24.1 Frequency.** At least once every month, the District Director of Health services or his duly authorized representative shall inspect every restaurant and food selling place within the district. One copy of the inspection report shall be filed with the District Division of Environmental Health, and one copy shall be given to the person operating the establishment.

## **PART 25. GENERAL REGULATIONS**

- (a) **Floors.** The floors of all rooms in which food or drink is stored, prepared, or served, or in which utensils are washed, shall be of such construction as to be easily cleaned, shall be smooth, and shall be kept clean and in good repair.
- (b) **Walls and Ceilings.** Walls and ceilings of all rooms shall be kept clean and in good repair. All walls and ceilings of kitchens or food storerooms shall be finished in light color. The walls of all rooms in which food or drink is prepared or utensils are washed shall be a smooth washable surface up to the level reached by splash or spray.
- (c) (1) All openings into the outer air of rooms in which food or drink is stored, prepared or served shall be screened. Screen doors shall open outward and shall be self-closing.
- (2) There shall be no direct openings from sleeping rooms into a room where food is prepared, handled or processed.
- (3) **Lighting.** All rooms in which food or drink is stored or prepared, or in which utensils are washed, shall be well lighted.
- (4) **Ventilation.** All rooms in which food or drink is stored or prepared, or served, or in which utensils are washed, shall be adequately ventilated.
- (d) **Hot water or a bactericidal process approved by the District Director of Health Services or his duly authorized representative shall be used in washing utensils. The water supply shall be adequate and of a safe and sanitary quality. No article, polish, or other substance containing any cyanide preparation or other poisonous material shall be used for the cleaning or polishing of utensils.**



- (e) There must be a place for washing hands providing water, soap, and clean towels.**
- (f) There must be a clean toilet available on the premises.**
- (g) All equipment and utensils must be in good repair and kept clean.**
- (h) Dish-drying clothes must be clean and used for no other purpose.**
- (i) All utensils, food, and drink must be stored in a clean place protected from dirt, flies, rats, or other harmful things.**
- (j) All readily perishable food and drink shall be kept at or below 50 degrees Fahrenheit, except when being prepared or served. Waste water from refrigeration equipment shall be properly disposed of.**
- (k) All waste must be properly disposed of. Garbage and trash must be kept in suitable metal containers with close fitting lids. After emptying, containers must be cleaned.**
- (l) No animals or fowl shall be kept or permitted in any room where food or drink is stored, prepared, or served.**
- (m) The premises must be kept clean and reasonably free of all litter, rubbish, flies, rats, and harmful things.**
- (n) All food handlers must wear clean clothing and must keep their hands and body well washed. Their hair must be neat, clean, and free of lice.**
- (o) No food shall be placed upon the ground or floor or any place other than a table, bench, or upon any other place on which food is prepared, handled, or kept.**
- (p) No person, shall in a restaurant or food selling place, sit or lie on any table, bench, or upon any other place on which food is prepared, handled or kept.**
- (q) No person shall use any restaurant or food selling place for any other purpose than that connected strictly with the preparation and selling of food.**
- (r) No person shall use any kerosene, gasoline, or other tin receptacle of like description for the purpose of holding food.**
- (s) No person shall use or permit to be used for covering, or for working upon food, any bag or sack or material other than that approved by the Commissioner for Health Services or his duly authorized representative. Such bag, sack, or material shall be kept solely for such purposes and shall be maintained at all times in a clean condition.**
- (t) Any employee who fails to keep cleanliness of person or who neglects to wash his hands before resuming work after visiting the toilet, or who does**

**not use, or who misuses, anything provided by the occupier of a restaurant or food selling place for the protection of food from contamination, shall be guilty of an offense against this Regulation.**

- (u) All food handlers must be examined by the Public Health Department at least once in every six months for ova and parasites in the stools, and a general physical examination every year. They will be given a certificate which must be kept on their person when working in a restaurant or food selling place. No food handler will be employed without a certificate of health currently in force.**
- (v) All food handlers must attend health and food handling classes when announced by the District Director of Health Services or his duly authorized representative.**
- (w) A copy of this Regulation shall be posted in such a place in the food establishment where all food handlers and customers can see it.**

#### **PART 26. GRADING**

**Each item listed on the inspection sheet has a value of a number of points, depending on its public health importance. The total number of points minus the violated items gives the score. The score is represented by a grade of A, B, or C. A is 96% to 100%, B is 85% to 95%, C is 74% to-84%. Items valued at 3, 4, or 5 points will be given a reasonable amount of time in the opinion of the inspector to correct same. An establishment receiving a C or below shall be upgraded to 85% or above within one month or may be subject to the penalty of this Regulation as set forth in Part 27.**

#### **PART 27. PENALTY**

**Pursuant to the provisions of Section 625 of the Code of the Trust Territory, every person who shall violate any of these regulations shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than one year, or both.**

#### **PART 28. EFFECTIVE DATE**

**These regulations shall become effective sixty {60} days after filing with the District Clerk of Courts, at which time all Health Services Regulations No. 2, revised prior to November 1968, are superseded.**

## **8.0 STUDENT ACCOUNTS**

## **BUSINESS FINANCE 8.1 REGISTRATION**

### **POLICY :**

**The following requirements must be satisfied by all students who intend to register:**

- **For new students who passed the Entrance Examination and other qualifying requirements of the College as stated in Section 2 of the Student Services Manual, the students must have paid the Admission Fee of \$10.00 in advance of registration.**
- **For old students, they must be cleared of all accounts with the Business Office prior to registering for the coming semester.**
- **On the day of registration, Students must pay the Registration Fee of \$15.00, Health Fee of \$15.00 and Student Activity Fee of \$20.00, or a total of \$50.00. These fees cannot be included in the Student's Promissory Note. Exception to this are those students who are being sponsored by an agency or other organization and are able to provide proof in writing that the admission, registration and other applicable fees are to be shouldered by the sponsoring agencies.**

**A student who has a credit balance and is waiting for a refund may be allowed to use the credit balance to offset registration fees and other costs associated with registration.**

**The requirements set forth in the Student Services MAPP Section 3.1 shall be followed.**

### **PURPOSE :**

**The purpose of this policy is to define the requirements for registration.**

### **APPLICATION :**

**This policy applies to all students who intend to enroll to COM-FSM.**

### **PROCEDURES :**

1. **Prior to registration, the Student shall go to the Business Office to seek clearance. The Staff- in-Charge for Student Accounts shall check if the student's name is included in the Masterlist of A/R –students. Only those students not in the list shall be given a clearance.**
2. **After accomplishing all the requirements for registrations as stated in Student Services MAPP (STU 3.1), the Student goes back to the Business Office and submits his/her Official Registration Card.**
3. **Business Office computes for the Registration Fees, Tuition and other Matriculation Fees. The Schedule of Fees is discussed in Business Finance 8.2.**

4. If a student is covered by a Financial Aid, only the following fees are required to be paid:
  - a. Registration Fee - \$ 15.00
  - b. Health Fee - \$ 15.00
  - c. Student Activity Fee - \$ 20.00
  
5. Students who are unable to pay the Registration Fee during the registration period shall pay a Late Registration Fee of \$5.00.
  
6. Students who wish to register even after classes have begun may be allowed provided that an approval from the VP-Instructional Affairs and VP-Support and Student Services has been sought. For justifiable reasons, the Late Registration Fee may be waived upon the recommendation of the VP-Student Services and approval by the President.

**RESPONSIBILITIES :**

**Business Office – ensures that all students registering are cleared of all accounts and all required fees are collected from the students.**

**VP-Instructional Affairs/VP–Student Services – approves application for late registration.**

**President – approves waiver of Late Registration Fee.**

**DEFINITION OF TERMS :**

**Registration Fee – Fee collected from all students, both full time and part time. This helps defray the cost of enrolling students in classes, recording of grades, maintaining student records and other expenses relative to the Office of Admission and Records.**

**Health Fee – Fee paid by students at Campuses where student health care and health counseling are available. This does not include hospitalization expenses.**

**Student Activity Fee – Fee paid by students at Campuses where student activities are provided. The fee gives access to students to all student related curricular and extra-curricular activities. This fee however, does not cover the meals for non-boarding students participating in weekend picnics.**

**Late Registration Fee – Fee paid by students who register after the last day of regularly scheduled registration day. The reckoning period is the date the Registration Fee is paid.**

**REFERENCES :**

**Student Services MAPP**

**COM-FSM General Catalog 2005-2007**

**Minutes of the COM-FSM Board of Regents Meetings of August, 1993, February, 1995, and December 2000**

**Oral Discussion among VP-Instructional Affairs, VP-Support and Student Affairs. Director Academic Programs, the President and other prior to Spring 2000 registration re: students registering after the deadline**

**Memorandum from the Comptroller through the President : re: Payment of Admission and Registration Fees, July 20, 1995**

**Memorandum to all State Campus Directors from the Comptroller through the President re: Student Authorization, May 16, 1995**

**Memorandum from Comptroller to COM-FSM Students and Staff Involved in Registration, August 16, 1994**

**Memorandum from the President to all Concerned re: Directions for the Financial Aid Process, October 11, 1990.**

## BUSINESS FINANCE 8.2 TUITION AND FEES

### POLICY :

The following fees are set by the COM-FSM Board of Regents:

- **Enrollment Fees**
  - **Registration Fee** \$ 15.00
  - **Health Fee** \$ 15.00
  - **Student Activity Fee** \$ 20.00
  
- **Tuition Fees** \$ 85 per credit  
**Employees who are enrolled are entitled to tuition waiver of six (6) credits). The employee's immediate dependents are entitled to a 50% discount.**
  
- **Dormitory Fee**
  - **Regular Semester** \$ 367.50
  - **Summer Session** \$ 175.00
  
- **Meals Fee**
  - **Regular Semester**
    - **On Campus** \$ 1,176.00
    - **Off-Campus (M-F)** \$ 315.00
  - **Summer Session**
    - **On Campus** \$ 560.00
    - **Off-Campus (M-F)** \$ 150.00
  - **Daily Rate**
    - **Breakfast** \$ 2.00
    - **Lunch or Dinner** \$ 3.00
  
- **Other Fees**
  - **Technology Fee** \$ 50.00
  - **Laboratory Fee** \$ 25.00 per laboratory course
  
- **Fees Charged when Applicable\***
  - **Res. Hall Security Deposit** \$ 50.00
  - **Late Registration Fee** \$ 5.00
  - **Auditing Fee** \$ 20.00 per credit course
  - **Credit By Examination Fee** \$ 15.00 per course
  - **Graduation Fee**
    - **Diploma for an associate degree or third year certificate of achievement**  
\$ 36.50
    - **Other Certificate of Achievement Program**  
\$ 10.00
  - **Transcript Fee** \$ 4.00
  - **Duplicate ID Fee** \$ 5.00
  - **Duplicate Diploma Fee** \$ 15.00
  - **NSF Check Fee** \$ 15.00

**The order of payment for all the fees under this category shall come from the Office of Admission and Records.**

**PURPOSE :**

**This policy defines the different Fees collected by COM-FSM from students.**

**APPLICATION :**

**This policy applies to all the campuses of the COM-FSM.**

**RESPONSIBILITY :**

**Business Office – ensures that appropriate fees are collected from students whenever applicable**

**DEFINITION OF TERMS :**

**Technology Fee – Fee charged to all students that have access to computers. This fee helps the College maintain up-to-date and adequate technology facilities.**

**Laboratory Fee – Fee charged to students taking science, education, and agriculture laboratory courses.**

**Residence Hall Security Deposit – a refundable deposit required for students applying to live in the residence halls. All damages/loss caused by students at the residence halls shall be deducted from this.**

**Auditing Fee – Fee charged to students who are allowed to audit a course.**

**Credit-By-Examination Fee – Fee charged to students for those applying to earn credits thru examination.**

**Graduation Fee – Fee charged to students who are applying for graduation.**

**Transcript Fee - Fee charged to students who are requesting a copy of their Transcript of Records. There is no fee for the first request. However, subsequent requests shall be charged with this fee.**

**Duplicate ID Fee – Fee charged to students requesting for replacement of lost ID.**

**Duplicate Diploma Fee – Fee charged to students requesting for duplicate copy of Diploma**

**NSF Check Fee – Fee charged to students for each check payment returned by the bank for insufficient fund or closed account.**



**REFERENCES :**

**Board of Regents Minutes of Meetings, March 21-25, 2006**

**General Catalogue 2005 – 2007**

**Personnel Policy Handbook, Section X – Employees Benefits**

## **BUSINESS FINANCE 8.3 PROMISSORY NOTES**

### **POLICY :**

**All students who register and cannot pay the full amount of the cost of their education for the semester in which they are registering must sign a Promissory Note. The Promissory Note is for one semester. Subsequent semesters requires new promissory notes if the student is otherwise eligible to register.**

**The Enrollment Fees (Registration Fee, Health Fee, Student Activity Fee) must be paid upon registration. These fees shall not be allowed to be included in the Promissory Note. If a student cannot pay these fees, the student is not allowed to register.**

**If the student is (deemed) eligible for student financial aid, the estimated amount of the award is stated in the Promissory Note and is deducted from the total due to COM-FSM. For students under Work Study Program, the Business Office can request the student to sign an authorization to pay their unpaid accounts out of the Work Study Grant earnings up to a maximum of 50%. Payments using personal funds or other scholarships shall also be made against the unpaid accounts**

**Returning students may be allowed to sign promissory notes for previous semesters' accounts using the following conditions:**

- **First \$1000**

**For those with less than \$500 balance, the whole balance would be paid before registration; For those with more than \$500 balance, pay \$500, the remaining balance and current semesters fees are to be paid within the next eight bi-weekly pay periods and supported by a non-retractable allotment advice.**

- **Balance in excess of \$1000**

**To be fully paid within the next enrolled semester and supported by a non-retractable allotment advice.**

**Students who are unable to pay their accounts covered by the Promissory Notes shall not be allowed to register in the coming semester. Moreover, Final Transcript of Grades and /or Certificates/Diploma shall not be released to students with past due accounts.**

### **PURPOSE :**

**The purpose of this policy is to define the guidelines on the acceptance for registration of students with previous semesters' balances.**

### **APPLICATION :**

**This policy applies to all students of COM-FSM**

## **PROCEDURES :**

- 1. Before the Registration Period, the Business Office generates the Masterlist of Students with Previous Balances.**
- 2. Said Masterlist is consulted whenever Students seek clearance from the Business Office.**
- 3. For student with Previous Semesters' accounts and the student is unable to pay his account, the student shall be required to accomplish a Promissory Note for the previous semester's account.**
- 4. For students who are unable to pay the current semester's account, the student shall be required to accomplish a Promissory Note for the Current Semester's Account. If the subject student is a possible grantee of Pell Grant, the estimated receivable from the Grant is accounted for in the Promissory Note.**
- 5. The Promissory Note is signed by the Student and the Parent/Spouse of the Student.**
- 6. The Comptroller/Staff Campus Director acknowledges the Promissory Note.**

## **RESPONSIBILITIES :**

**Business Office Student Account Staff/State Campus Accountant – determines student's account balances**

**Student and Parents/Spouse – signs the Promissory Note and commits to pay the account as stated.**

**Comptroller/Campus Director – acknowledges the Promissory Note.**

## **DEFINITION OF TERMS :**

**Promissory Note – a commitment by the student concurred by the Parent or the Spouse, to pay his/her account according to the schedule agreed on. The Student further acknowledges in the said form that failure to pay the amount in the agreed note will forfeit the right of the student to register in the next semester. Furthermore, the transcript and certificate shall also be withheld by the College.**

## **REFERENCES :**

**Board of Regents Minutes, May 2002**

**Memorandum to all State Campus Directors from the Comptroller through the President  
re: Student Authorization, May 16, 1995**



## BUSINESS FINANCE 8.4 REFUND POLICY

### POLICY :

Tuition and the following fees are refundable according to the schedule below. The distribution policy is detailed in the General Catalog issued to students and the Student Services MAPP (STU 6.2):

- Student Activities Fee
- Meal Fee
- Health Fee
- Student Activity Fee
- Laboratory Fee
- Technology Fee

The percentage of refund of the above refundable fees is determined according to the timing of withdrawal using the following schedule:

#### Regular Semester:

Prior to the first day of classes	-	100%
During the first two weeks	-	80%
During the third and fourth weeks	-	40%
After the fourth week	-	0%

#### Summer Session:

Prior to the first day of classes	-	100%
During the first week	-	80%
During the second week	-	40%
After the second week	-	0%

Full refunds will be made when changes are made in the published schedule of classes which resulted in a complete withdrawal by the student. Partial refunds for the difference in tuition and applicable fees will be made to students who changed to part-time status as a result of changes in the published schedule by the College.

The College will not assess penalty charges when the College and not the student, is in error. Requests for refunds should be made in writing to the Vice President for Support and Student Affairs within fifteen days after the changes occur. The College assumes no liability for such refunds after fifteen days have passed without a written request for a refund.

Aside from the above refundable fees, students are also asked to pay a \$50 refundable dormitory deposit. This fee is refundable by students who are moving out of the residence halls and are freed by the Dormitory Manager of any accountability at the Dormitory. The Dormitory Manager's Clearance is the basis for the processing of the refund.

**The following fees are not refundable:**

- **Admission Fee**
- **Registration Fee**
- **Late Registration Fee**
- **Auditing Fee**
- **Credit-by-Examination Fee**
- **Graduation Fee**
- **Dormitory Fee**

**PURPOSE :**

**The purpose of this policy is to identify fees that may be refunded and the requirements for doing so.**

**APPLICATION :**

**This policy applies to all students of the COM-FSM.**

**PROCEDURES :**

- 1. Students who wish to file a refund for fees paid shall request in writing to the VP-Support and Student Affairs, indicating therein the reason for the refund. In the case of the refund for Dormitory Security Deposit, the addressee of the request is the Dormitory Manager.**
- 2. The VP-Support and Student Affairs approves the requests.**
- 3. The approved request is submitted to the Business Office for the processing of the Refund Voucher.**
- 4. The Business Office Staff validates the fees that are being refunded and prepares the necessary check for the claim.**

**RESPONSIBILITIES :**

**VP – Support and Student Affairs – approves request for refund**

**Business Office – validates fees for refund and processes the corresponding Refund Voucher**

**REFERENCES :**

**2005-2007 General Catalog;**

**Student Services MAPP – STU 6.2**

**BOR directives from September 1999 meeting**

## **BUSINESS FINANCE 8.5 PROCESSING OF REFUND FROM PELL GRANT**

### **POLICY :**

**The College must comply with US Federal regulations regarding students who apply for financial aid. Unless a contract with an agency specifically states that the payment to be made by the organization on behalf of a student is to be the amount in excess of any financial aid awarded, the student is entitled to any refund of a resulting credit balance I is/her account.**

### **PURPOSE :**

**The purpose of this policy is to define the procedure in the processing of refunds to students covered by Pell Grant.**

### **APPLICATION :**

**This policy applies to all students who are recipients of Pell Grant.**

### **PROCEDURES:**

- 1. The Financial Aid Coordinator shall forward to the Business Office thru the Comptroller the list of Pell Grant Grantees.**
- 2. The Business Office Staff (Student Accounts/State Campus Accountant), computes for all the charges made by the student for the semester covered by the Grant. Students who have credit balances are entitled to a refund.**
- 3. The List of Students with Refunds shall be submitted to the Comptroller for approval.**
- 4. Once approved, the refund is entered in the system as AP – Students and the corresponding Refund Check is processed.**
- 5. The List of Students with Refund Check is prepared and posted in the Bulletin Board.**
- 6. A check is also processed for the Bookstore covering payments to charges made by the students to the Bookstore.**
- 7. Release of Check is recorded by signing in the Check Register.**

### **RESPONSIBILITIES :**

**Business Office Staff - processes refund checks of the students**

**Comptroller – approves processing of refunds to students.**



**DEFINITION OF TERMS:**

**Refund – when the total amount of charges made by a student is less than the amount of Pell Grant.**

**REFERENCES :**

**Finance Committee Minutes, March 8, 1995**

## **10.0 LAND GRANT**

**BUSINESS FINANCE 9.1 MEMORANDUM OF UNDERSTANDING BETWEEN COM-FSM  
AND COM**

**POLICY :**

**The attached MOU Between COM-FSM and COM provides the financial procedures to be followed with respect to the Land Grant Program**

**REFERENCE:**

**COM-FSM Board of Regents, December 11, 1996**