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**§ 701. Title.**

This chapter shall be known and may cited as the “College of Micronesia—FSM Act of 1992.”

**Source:** PL 7-79 § 1.

**Cross-reference:** The statutory provisions on the College of Micronesia are found in chapter 4 of this title.

**§ 702. College of Micronesia—FSM established as a public corporation.**

The College of Micronesia—FSM (hereinafter also referred to as “the College”), its extension schools, continuing education programs, and such other colleges, institutions, schools, centers, and programs as may from time to time be established by law or by the Board of Regents to come under the College of Micronesia—FSM system, is hereby established as a public corporation.

**Source:** PL 7-79 § 2.

**Cross-reference:** FSM Const., art. IX, § 2(r), as amended, states as follows:

Section 2. The following powers are expressly delegated to Congress:

. . .

(r) to promote education and health by setting minimum standards, coordinating state activities relating to foreign assistance, providing training and assistance to the states and providing support for post-secondary educational

programs and projects.

...

FSM Const., art. XIII, § 1 states as follows:

Section 1. The national government of the Federated States of Micronesia recognizes the right of the people to education, health care, and legal services and shall take every step reasonable and necessary to provide these services.

The provisions of the Constitution are found in Part I of this code.

### **§ 703. Definitions.**

In this chapter, unless the context otherwise requires:

- (1) “Adult basic education” means secondary level educational programs and courses offered to out-of-school adults;
- (2) “Board” or “Board of Regents” means the Board of Regents of the College of Micronesia—FSM as established by this chapter;
- (3) “COMFSM” or “the College” means the College of Micronesia—FSM as established by this chapter;
- (4) “College of Micronesia” or “COM” means the College of Micronesia system established pursuant to the “Treaty Among the Governments of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau” executed in Kolonia, Pohnpei, Federated States of Micronesia, on September 1, 1987, as amended, or any successor treaty that continues the existence of the College of Micronesia;
- (5) “Congress” means the Congress of the Federated States of Micronesia;
- (6) “Continuing education” means in-service professional development and non-credit or credit programs and courses offered at the post-secondary level;
- (7) “General education” means an education program that introduces the content and methodology of the major areas of knowledge, including the humanities, the fine arts, the natural and social sciences, and helps students to develop intellectual skills and social attitudes that will make them effective learners and citizens;
- (8) “Land Grant Programs” means the programs established by 7 United States Code sections 301 et seq.;
- (9) “Post-secondary education” means any educational offerings beyond the secondary level;
- (10) “Treaty” means the “Treaty Among the Governments of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau Regarding the College of Micronesia” signed in Kolonia, Pohnpei, Federated States of Micronesia, on September 1, 1987, as amended; and
- (11) “Vocational education” means the provision of skills and attitudes which makes an individual employable and productively useful in the labor market.

**Source:** PL 7-79 § 3.

### **§ 704. Purposes.**

It is the intent of this chapter to establish a post-secondary educational entity to be located within the Federated States of Micronesia to serve the varied post-secondary and adult educational needs of the Nation. As such, the College of Micronesia—FSM established by this chapter shall:

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

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

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

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

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

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

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

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

(9) Conduct and support research relevant to the needs of the States and the National Government of the Federated States of Micronesia to the degree funding is available particularly as relevant to assessing ongoing training, educational, and technological needs;

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

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

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

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

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

**Source:** PL 7-79 § 4.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the Congress of the Federated States of Micronesia are found in title 3 of this code.

The official website of the Congress of the Federated States of Micronesia contains the public laws enacted by the Congress, sessions, committee hearings, rules, and other Congressional information at <http://www.fsmcongress.fm/>.

### **§ 705. Organizing principles.**

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

**Source:** PL 7-79 § 5.

### **§ 706. Board of Regents established; Membership.**

(1) A five member Board of Regents which shall be the governing body for the general management and control of the College is hereby established and shall consist of the following members:

(a) One member shall be appointed by the President with the advice and consent of the Congress. This member shall be designated as the representative from the National Government.

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

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

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

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

**Source:** PL 7-79 § 6; PL 8-144 § 1, modified.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

**§ 707. Board of Regents; Initial terms of office.**

At the initial Board meeting, the four members of the Board representing their respective States shall draw lots in order to ascertain their terms of office. Two States shall have an initial two-year term and two States shall have an initial three-year term. After the initial terms, the terms of the respective State members shall be as provided in section 708 of this chapter. The initial term of office of the remaining Board member shall be as provided in section 708 of this chapter. Members of the Board may serve beyond the expiration date of their initial terms until their successors have been appointed.

**Source:** PL 7-79 § 7; PL 8-144 § 2.

**§ 708. Board of Regents; Terms of office.**

The terms of office for the members of the Board shall be as follows:

(1) The member representing the National Government shall serve for a term of three years and shall not serve more than two consecutive terms.

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

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

**Source:** PL 7-79 § 8; PL 8-144 § 3.

**§ 709. Board of Regents; Notification of expiration of term.**

The Board of Regents shall notify the President of the Federated States of Micronesia, in writing, of the upcoming expiration of the term of Board members 90 days before the actual expiration of the Board member's term.

**Source:** PL 7-79 § 9.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code.

**§ 710. Board of Regents; Vacancies.**

Any vacancy on the Board shall be filled for the unexpired portion of the term in the same manner as the original appointment. Three consecutive absences, of any kind, of a Board member from separately called meetings of the

Board, called not less than 30 calendar days apart, shall automatically create a vacancy in that Board member's seat. Upon a determination that a vacancy exists, the chairperson, or in his/her absence, the presiding officer of the Board shall issue a notice of vacancy to all members of the Board and to the appropriate governmental entities and parties responsible for filling the vacancy.

**Source:** PL 7-79 § 10.

### **§ 711. Board of Regents; Officers.**

Members of the Board shall annually appoint one member chairperson, who shall preside at meetings of the Board. At the same time they shall also appoint one member vice chairperson to serve as the presiding officer of the Board in the absence of the chairperson, and a secretary-treasurer who shall serve as presiding officer of the Board in the absence of both the chairperson and vice chairperson. In the absence of all three officers, the Board may appoint a pro tempore officer to preside. The President of the College shall not be eligible for appointment as an officer of the Board.

**Source:** PL 7-79 § 11.

### **§ 712. Board of Regents; Quorum.**

A quorum of the Board shall consist of a majority of all voting members. All official business of the Board shall be conducted by a majority of those present and voting at a meeting of the Board for which a quorum exists, unless otherwise provided by law or the bylaws of the Board.

**Source:** PL 7-79 § 12.

### **§ 713. Board of Regents; Meetings.**

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

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

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

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

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

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

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

**Source:** PL 7-79 § 13; PL 8-144 § 4.

#### **§ 714. Board of Regents; Committees.**

The Board may create such committees of the Board as it deems necessary or appropriate. No committee or committee member shall act in place of the Board and committee decisions must be approved by the Board.

**Source:** PL 7-79 § 14.

#### **§ 715. Board of Regents; Expenses, compensation, and honorarium.**

The members of the Board shall receive per diem and car rental, where justified and necessary, at standard National Government rates while on Board-approved business of the College. Those members who are employees of the National Government or the College shall be granted administrative leave and receive their regular salaries while on the business of the College. Other nongovernment members who are not otherwise being compensated shall receive compensation on a daily basis while on the Board-approved business of the College. The rate of compensation shall be established by the Board, but shall not exceed \$30.00 per day. Consultants or advisors participating in Board activities who are not officials or employees of the National or State Governments or the College may receive a reasonable honorarium at the discretion of the Board. The President of the College shall not be entitled to receive expenses, compensation or honorarium as provided in this section.

**Source:** PL 7-79 § 15.

#### **§ 716. Board of Regents; Indemnification of members.**

Every member of the Board shall be indemnified by the College against all expenses and liabilities reasonably incurred or imposed upon such member of the Board in connection with any threatened, pending or completed action, suit or proceeding to which such member may be made a party or in which the member may become involved by reason of being or having been a member of the Board, or any settlement thereof, whether or not such member of the Board is a member of the Board at the time such expenses are incurred, except in such cases wherein the member of the Board is adjudged guilty of willful misfeasance or malfeasance in the performance of the duties of the office; PROVIDED, however, that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the College. The private property of members of the Board shall not be subject to the debts or obligations of the College. The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such member of the Board may be entitled.



**Source:** PL 7-79 § 16.

**§ 717. Board of Regents; Bylaws.**

The Board shall adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to, or imposed upon it, by law.

**Source:** PL 7-79 § 17.

**§ 718. Board of Regents; Removal of members.**

Board members may be removed before the expiration of their terms by a three member majority vote of all the other voting members of the Board for incompetence, neglect or duty, unethical conduct, or malfeasance in office. Notification of intent to call for removal pursuant to this section shall be made at least 20 calendar days in advance, by means which shall be described in the bylaws, and shall include a summary of the basis of the charges against the member and identification of the witnesses to be called and evidence to be used. Original jurisdiction over any claim of wrongful removal by action of the Board shall be in the Trial Division of the Supreme Court of the Federated States of Micronesia.

**Source:** PL 7-79 § 18; PL 8-144 § 5.

**Cross-reference:** The statutory provisions on the FSM Supreme Court are found in title 4 of this code.

**§ 719. Board of Regents; Powers and responsibilities.**

The Board of Regents shall have general management and control over the affairs of the College, and to this end, shall have the powers to:

- (1) Clarify the mission of the College;
- (2) Ensure the institutional autonomy of the College;
- (3) Act as a liaison between the community and the College;
- (4) Be responsible for the financial soundness of the College and ensure that the educational program and the physical facility plans are of high quality and consistent with the purposes of the College;
- (5) Ensure adequate financial resources, including seeking funding for the College and its programs from businesses and institutions both inside and outside the Federated States of Micronesia;
- (6) Ensure strong financial management;

- (7) Appoint and terminate all officers and employees of the Board;
- (8) Appoint and assess the performance of the President of the College;
- (9) Ensure the well-being of faculty, students, and staff through the approval of appropriate policies and procedures;
- (10) Adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to, or imposed upon it, by law;
- (11) Serve as the court of appeal to faculty, students, and staff;
- (12) Fix, in its discretion, the rates to be charged to students of the College for tuition, room and board, and other necessary fees and charges, and grant tuition waivers as the Board shall deem appropriate;
- (13) Approve such policies and standards as deemed necessary for the effective operation of the College;
- (14) Approve programs of instruction and research;
- (15) Incorporate into the College such technical and research establishments as the Board deems necessary or appropriate to ensure a quality program of instruction and research which is relevant to priorities of the State and National Governments of the Federated States of Micronesia, and to acquire all property whether real, personal or mixed, tangible, or any such establishment as may be transferred to the College;
- (16) Annually review and approve long-range plans for the development of the College;
- (17) Execute, in accordance with its bylaws all instruments necessary or appropriate in the exercise of its powers and to that end adopt, alter, and use a common seal by which all acts of the Board shall be authenticated;
- (18) Delegate any of its powers and duties to an officer of the Board or an official or employee of the College where proper and appropriate;
- (19) Act in an advisory capacity to the regional COM Board of Regents on Land Grant Plans of Work and other Land Grant issues;
- (20) Take such other actions and assume such other responsibilities as may be necessary or appropriate to carry out the powers and duties granted to or imposed upon it by this chapter; and
- (21) Assess their own performance.

**Source:** PL 7-79 § 19.

#### **§ 720. Board of Regents; Ethical conduct.**

The Board shall act as a whole; no member or committee created by the Board may act in place of the Board. The bylaws of the Board created pursuant to sections 717 and 718 of this chapter shall include a statement of ethical conduct for its members. Such statement shall include, but is not limited to, a provision prohibiting Board members from participating in any action involving a possible conflict of interest or from realizing a financial gain, other than compensation provided pursuant to this chapter, from their position as a Board member.

**Source:** PL 7-79 § 20.

**§ 721. President of the College.**

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

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

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

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

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

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

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

(f) To cause to be submitted 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; and

(g) To perform such other additional duties as the Board may require.

**Source:** PL 7-79 § 21.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

**§ 722. Employees of the College.**

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

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

(3) Except for officials of the College serving at the pleasure of the Board, every official, faculty member,

and other employee of the College shall be entitled to hold his/her position during good behavior, subject to suspension, demotion, layoff, or dismissal only as provided in the personnel regulations of the College; PROVIDED that the tenure of a contract employee is the term stated in his/her contract. No employee of the College shall be suspended, demoted, laid off, dismissed, or otherwise discriminated against because of sex, marital status, physical handicap, race, religious or political preference, place of origin or ancestry.

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

**Source:** PL 7-79 § 22.

### **§ 723. Incorporation of the College.**

The College:

- (1) Is a public corporation;
- (2) Has perpetual succession;
- (3) Shall have a seal;
- (4) May enter into contracts;
- (5) May acquire, hold, charge and dispose of property;
- (6) May sue and be sued in its corporate name; and
- (7) For the purposes of its functions, has all the powers, duties, and responsibilities of a corporation.

**Source:** PL 7-79 § 23.

### **§ 724. Liability.**

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

(2) The College shall endeavor to maintain adequate insurance coverage to protect itself against liability for bodily injury or death of any person and against liability for loss of or damages to property as the result of the operations or maintenance of real property, facilities and improvements, and vehicles and other equipment owned or used by the College.

**Source:** PL 7-79 § 24.

**§ 725. Financial support.**

The College at its discretion shall:

(1) Acquire in any lawful manner any property, real, personal or mixed, tangible or intangible, or any interest therein for purposes of the College; to hold, maintain, use, and operate the same for purposes of the College; and to sell, lease, transfer, exchange, or otherwise dispose of the same at such time, in such manner, and to the extent deemed necessary by the Board to carry out the purposes of the College; PROVIDED that any real property and improvements thereon granted to or otherwise made available to the College shall revert to the respective State or National Government, or its political subdivisions, upon the cessation of its active use by the College; and

(2) Borrow money provided that no debt of the College shall be secured by real property or improvements granted or otherwise made available to the College by the National Government, or any political subdivision thereof; and PROVIDED that, unless expressly provided by law or agreement, no debt or obligation of the College shall be a debt or obligation of the National Government or its political subdivisions, nor shall the National Government, or its political subdivisions be responsible for any such debts or obligations.

**Source:** PL 7-79 § 25.

**Cross-reference:** FSM Const., art. IX, § 2(r), as amended, states as follows:

Section 2. The following powers are expressly delegated to Congress:

...

(r) to promote education and health by setting minimum standards, coordinating state activities relating to foreign assistance, providing training and assistance to the states and providing support for post-secondary educational programs and projects.

...

FSM Const., art. XIII, § 1 states as follows:

Section 1. The national government of the Federated States of Micronesia recognizes the right of the people to education, health care, and legal services and shall take every step reasonable and necessary to provide these services.

The provisions of the Constitution are found in Part I of this code.

**§ 726. Budget submission.**

(1) An annual budget shall be submitted, in a timely fashion, by the Board to the President and the Congress of the Federated States of Micronesia for the annual expenditures of the College. The Congress shall make annual appropriations to the College for operating and capital expenditures.

(2) The budget shall:

- (a) Contain budget projections for each of the two subsequent fiscal years;
  - (b) Include all expenditures and projected revenues for all sources;
  - (c) Include an operations budget for each major component of the College;
  - (d) Identify capital improvement needs of the College; and
  - (e) Include analysis of major trends over the three years budgeted and projected regarding funding sources, spending and program emphasis, proposed program expansions and contractions, tuition, room and board, other fees and charges, and staffing levels.
- (3) In addition to the annual budget the College may make application for additional funds.

(4) The College is authorized to receive tuition, fees, private gifts, donations, endowments, grants and other monies from public or private sources for restricted or unrestricted purposes. Such funds as are received shall be deposited to the appropriate account of the College. Expenditures shall be made from the fund only for the purposes of this chapter and in accordance with such conditions as may be attached to the gift, donation, endowment or grant; PROVIDED that such expenditures shall be made in accordance with the budget approved by the Board. The college is authorized to deposit the funds in a banking institution approved by the Board.

**Source:** PL 7-79 § 26.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the Congress of the Federated States of Micronesia are found in title 3 of this code.

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### **§ 727. Financial management.**

The Board at its discretion shall:

- (1) Enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on such terms and conditions as it may deem appropriate, including contracts to perform organized research, training, and demonstrations on a reimbursable basis;
- (2) Receive, manage, and invest monies, and receive and manage other property, real, personal or mixed, tangible or intangible, or services which may be appropriated, or in any manner received from any source for the purposes of the College, its improvement or adornment, or for the aid to the students or faculty of the College, and in general to act as trustee on behalf of the College for such purposes or objects;
- (3) Approve rates of per diem and policies relating thereto for officials, faculty members, and other employees of the College; and
- (4) Approve such rents, fees and charges, as the Board deems appropriate, for the private use of facilities of the College or services provided by the College.

(5) *Accounting and financial reporting.* 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.

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

- (a) After the period of time available for obligation and expenditure as provided by the Board;
- (b) In excess of the sum approved by the Board;
- (c) In advance of the availability of funds; or
- (d) For purposes other than those for which an expenditure or obligation has been authorized by the Board.

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

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

**Source:** PL 7-79 § 27, modified.

### **§ 728. Reports and auditing procedures.**

(1) 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 the students who graduated from or terminated studies at the College.

(2) The Board 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, economy and efficiency audits, including determinations as to whether the College has met the requirements set forth in this chapter 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.

**Source:** PL 7-79 § 28.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 729. Exemption from taxation.**

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

**Source:** PL 7-79 § 29.

**Cross-reference:** The statutory provisions on Taxation and Customs are found in title 54 of this code.

### **§ 730. Periodic survey.**

The Board shall periodically cause an independent survey to be conducted among students and faculty of the College evaluating the quality of administration, quality of course instruction, the effectiveness of faculty, and such other matters as the Board may deem appropriate. Such an independent survey shall be conducted within two years after the date this act takes effect and shall be done every three years thereafter, or as required by the accreditation standards set by the Western Association of Schools and Colleges. The Board shall transmit a copy of the results of the survey to the President and the Congress of the Federated States of Micronesia and to the Governors of the States of the Federated States of Micronesia within 60 calendar days of the completion of the survey.

**Source:** PL 7-79 § 30.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 731. Professional licensure.**

The Board shall establish minimum standards and qualifications for members of the faculty of the College



comparable to standards and qualifications of colleges of like stature or as otherwise appropriate to the College's circumstances.

**Source:** PL 7-79 § 31.

### **§ 732. Applicability of laws.**

Laws and regulations of the National Government of the Federated States of Micronesia and its political subdivisions shall apply to the College.

**Source:** PL 7-79 § 32.

### **§ 733. Successor in interest.**

The College of Micronesia—FSM as the successor in interest to the Community College of Micronesia shall assume all contractual duties, obligations, and liabilities for contracts entered into by the Community College of Micronesia prior to the effective date of this act.

**Source:** PL 7-79 § 33.

**Cross-reference:** The statutory provisions on the College of Micronesia are found in chapter 4 of this title.

### **§ 734. Taking effect.**

This Act shall take effect on October 1, 1992.

**Source:** PL 7-79 § 34.

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