

AGENDA ITEM 11.e (Chapter 5 Policies)

BOARD POLICY No. 5304: Corporate Credit Card

Board Policy No. 5608 – Policy to Provide Incentive for the Securing of Grant Funding College of Micronesia-FSM

RECOMMENDED DIRECTIVE:

The BOR hereby approves amendments to Board Policy No. 5015 (renumbered).

The Board of Regents hereby approves the amendment of Board Policy No. 5608 in its entirety

DISCUSSION:

As received from the Finance Committee: The revised Corporate Credit Card Policy reflects the college's evolving fiscal controls and operational practices. By removing outdated elements (such as travel mileage accumulation and utility payments), the policy ensures the corporate credit card is used solely for strategic, pre-approved procurement aligned with COM-FSM priorities. The streamlined language and updated administrative references improve clarity, accountability, and compliance.

The college seeks to enhance its institutional capacity through diversified funding sources. Board Policy No. 5608 establishes a structured incentive mechanism to encourage faculty and staff to pursue competitive external grants actively. By recognizing and rewarding successful grant acquisition efforts, this policy promotes innovation, supports institutional priorities, and strengthens the college's financial sustainability. These incentives align with COM-FSM's mission to advance quality programs and services that meet national development goals. The Finance Committee and the Research, Extension, and Sponsored Programs Committee have reviewed and recommended changes to the policy.

The EC reviewed and endorsed amendments to Board Policy No. 5015 and 5608, as follows:

Board Policy	Amendments or Deletions	Remarks
BP NO. 5304: Corporate Credit Card	Changed BP Number: to 5015 1. Purpose and Objectives (Clarified, Slightly Streamlined): Old Policy: Included five objectives, including earning travel mileage for official travel.	This reflects updated audit/accountability considerations.

	<p>New Policy (2025): Retains core objectives (e.g., online savings, faster procurement) but removes “travel mileage” as an incentive.</p> <p>2. Authorized Use (Reinforced): No change in the authorized user — remains the President of the College only.</p> <p>3. Scope of Use (Narrowed and Clarified): Old Policy: Card allowed for online/off-island procurement, including communication and utility payments.</p> <p>New Policy: Removes explicit mention of communication and utilities</p> <p>4. Documentation Requirements (Reiterated): Both versions require a Purchase Order (PO) with vendor quotations and adherence to the college’s PO and liquidation policies.</p> <p>The reference to vendor location (off-island) in the PO process is removed in the revised version</p> <p>5. Administrative Procedure Reference: Old Version: Cited AP 5304. New Version: Updated to reference AP 5015</p>	<p>Emphasis on strict accountability remains consistent.</p> <ul style="list-style-type: none"> Update the language of the policy to be consistent with names <p>•</p> <p>tighter control, now limited mainly to goods and services procurement.</p> <p>simplifying the requirement.</p>
--	---	---

<p>BP NO. 5608: Policy to Provide Incentive for the Securing of Grant Funding College of Micronesia-FSM</p>	<p>Revise title to: Incentive Policy to Secure External Grants</p> <p>Overview of the Original Policy: The original version of Policy 5608 broadly recognized and encouraged faculty and staff who contributed to the college by writing and securing competitive grants. It provided general support for incentivizing personnel but lacked specific definitions, procedures, or a formula for calculating incentives.</p> <p>Key Revisions in the Updated Policy</p> <p>1. Expanded Purpose and Justification:</p> <p>The revised policy elaborates on how external grants contribute to COM-FSM's mission, emphasizing innovation, infrastructure improvement, and national development in the FSM.</p> <p>2. Detailed Definitions Section:</p> <p>The update introduces clear definitions for key terms such as <i>External Grants</i>, <i>Principal Investigator (PI)/Project Director (PD)</i>, <i>Competitive Funding</i>, <i>Incentive</i>, and <i>Indirect Cost</i>—bringing transparency</p>	<p>The revised Board Policy No. 5608 strengthens the college's commitment to securing external funding by providing a more structured, transparent, and fair incentive system for faculty and staff. It introduces key definitions, establishes a clear incentive formula based on indirect costs, and aligns with COM-FSM's broader goals of innovation, financial sustainability, and national development.</p>
---	---	---

	<p>and consistency in interpretation.</p> <p>3. Standardized Incentive Formula:</p> <p>Unlike the original version, which lacked specific financial guidelines, the revised policy introduces a standardized incentive:</p> <p><i>The PI/PD will receive 15% of the indirect costs available for a grant the college receives.</i></p> <p>4. Clarification on Scope of Eligibility:</p> <p>The revision explicitly excludes <i>capacity funds and other federal/state land-grant program funds</i> from incentive eligibility, refining the focus on competitive, externally secured funding.</p> <p>5. Reference to Administrative Procedures:</p> <p>The updated policy now includes a direct reference to Administrative Procedures 5608, ensuring implementation is supported by operational guidelines.</p>	
--	--	--

ACTION TAKEN:

VOTE:

____ Approved as presented
____ abstain

____ aye ____ nay

____ Approved w/ modifications

____ Disapproved

____ Deferred to a later meeting

DATE: _____