

COLLEGE OF MICRONESIA-FSM
BOARD POLICY No. 5500

Financial Reporting

Date Adopted: 01 April 1993

Date Revised:

Date Reviewed: 22-24 March 2014; 21 March 2019

References: PL 7-79

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 the prescribed government requirements and the 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 users.

See Administrative Procedure 5500