



**Budget Committee**  
**11:10 p.m. February 1, 2022**  
**Board Conference Room**  
**Special Meeting**

**MINUTES**

**Present:**

- |   |   |
|---|---|
| 1. Chairperson Stevenson Kotton                 | Vice President of Business and Administration Affairs |
| 2. Dr. Irene J. Taafaki                         | President   |
| 3. William Reiher ( <b>Not Present</b> )        | Executive Vice President                              |
| 4. Dr. Elizabeth Switaj                         | Vice President of Academic & Student Affairs          |
| 5. Rigieta Lord                                 | Dean, WAVES   |
| 6. Monica Gordon                                | <i>for</i> Dean, Student Success                      |
| 7. Vasemaca Savu                                | Dean of Academic Affairs                              |
| 8. Amelia Timon ( <b>Not Present</b> )          | Director, FABS  |
| 9. Oyinade Ogunmokon                            | Liberal Arts Department, Chairperson                  |
| 10. Jennifer Seru                               | Developmental Education Department, Chairperson       |
| 11. Rosie Koroi                                 | Education Department, Chairperson                     |
| 12. Meitak Kendall-Lekka ( <b>Not Present</b> ) | Business Studies Department, Chairperson              |
| 13. Florence Peter                              | Nursing Department, Chairperson                       |
| 14. Waisiki Baleikorocau                        | STEM Department, Chairperson                          |
| 15. Tarry Henos                                 | ABE, Chairperson                                      |
| 16. Waisake Savu                                | Carpentry Program Chairperson                         |
| 17. Mylast Bilimon                              | Marshallese Studies Department, Chairperson           |
| 18. Hatty Kabua                                 | Grant Writer/Coordinator                              |
| 19. Victoria Kilma ( <b>Not Present</b> )       | SGA Representative                                    |

**Attendees via ZOOM**

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|----------------------|---------------------------|
| 20. Stanley Lorennij | Vice President Land Grant |
|----------------------|---------------------------|

A Special Budget Committee meeting was called to order at 11:10 a.m. by the Chairperson.

The Chairperson welcomed all the Budget Committee members, especially the President, for their attendance in the meeting.

**I. Review of the Previous Meeting Minutes**



- A. The MINUTES of November 25, 2021, were reviewed carefully by the members.
1. The STEM Department's Chairperson moved to approve the MINUTES, seconded by the Dean of AA. The motion was passed successfully by the majority with no abstentions.

### **DECISION**

**With no corrections, the MINUTES of November 25, 2022, were approved, as presented.**

## **II. Remarks/Updates from the Chairperson**

### **A. FY2020 Audit Update**

1. The Chairperson updated the Budget Committee members of his meeting with the BoR on January 31, 2022.
  - a) Although CMI's audit is late, CMI had requested the deadline to be extended to February 28, 2022.
    - (1) The Chairperson shared with the members of the challenges encountered with the auditing process.
      - (a) One of the main challenges were the repetitive findings from the previous fiscal years.
      - (b) The other main challenge was in regards to the SEFA, or the supplemental schedule to the financial statements that an organization is required to produce when it is subject to the single audit requirement.
        - (i) The Chairperson shared the importance of monthly monitoring or reconciliations of the federal grant fundings to the Budget Committee members.
          - (a) The Chairperson stressed the importance of properly closing the grants and monitoring the grants, ensuring they're not overspent.
            - (i) As per the auditors, the Chairperson also shared with the members the amount that CMI still owed grantors in regards to previous grant fundings, as of FY 2020, which was \$969K.
            - (ii) Half of a million dollars had been overspent since the



establishment of the institution.

2. The Chairperson/VPBAA was scheduled to meet with the auditors on Friday, February 4, 2022.
  - a) The Chairperson shared strategies that will be taken as a way forward towards improvement in regards to the audit findings.
  - b) The new system has been programmed to avoid overspending, however, the Chairperson shared the 29 pending grants that have not been closed due to the lack of documentation and will require the assistance of the grantors.
  - c) The members inquired on appropriate measures that should be taken when a grant's not used for unexpected circumstances.
    - (1) Should this occur, the Chairperson informed the members to immediately inform the Grant's Office, FABS Office, and the Grantors.
3. The Chairperson shared the Fixed Asset system and the Fixed Asset Policy with the Budget Committee members.
  - (1) The Chairperson also informed the members that this was also a way forward in regards to the follow-up report to WASC due in October 2022.

#### **B. FY2021 Trial Balances Update**

1. The Chairperson informed the members that as soon as the FY2020 audit was finalized, they will be compiled with the FY2021 budget.
2. As soon as the FY2020 audit is completed, the audit on FY2021 will start.
3. The Chairperson stressed the importance of matching the proper documents with its OPEN PO.
  - a) The concern for scanners to be purchased was brought up by the members, in which the Chairperson explained that there won't be more scanners purchased due to the reason that all processes are being integrated to be processed electronically.
4. According to the Chairperson, there will be employees from the FABS department that will be assigned to each department to ensure that their budgets are monitored and reconciled on a monthly basis.
  - a) The invoices, especially those from the Bookstore, are in the process of being digitized.

#### **C. FY2021 Unaudited Revenue & Expenditure Update**

1. The Chairperson shared with the members the FY2021 Revenue and Expenditure Report, as of September 30, 2021.



2. The Chairperson expressed his appreciation and gratitude to the CMI community for the improvements throughout the years, relating to the institution's audits.

#### **D. CMI Investment Portfolio Update**

1. Endowment Fund
  - a) As per the Chairperson, the Endowment Fund's balance was \$2.3M, as of February 1, 2022.
2. Contingency Fund
  - a) The Contingency Fund's balance was \$1.2M.
3. Maintenance Fund
  - a) According to the Chairperson, the Maintenance Fund's balance was \$1.9M.

#### **E. FY2022 YTD Revenue & Expenditures**

1. Expenditure Update
  - a) The Chairperson shared the FY2022 YTD Revenue & Expenditures Report.
    - (1) As of February 1, 2022, the Chairperson reported to the members that CMI had not received any funding from the RMI Government.
    - (2) On January 30, 2022, the Chairperson had contacted the Secretary of the Ministry of Finance, Banking, and Postal Services, regarding CMI's willingness to draft the required MOA needed for the funds to be released.
    - (3) As of February 1, 2022, CMI had a \$2.3M surplus.

### **III. Action Items**

- A. There were no action items.

### **IV. Other Matter/Concerns Arising**

#### **A. CMI's Quarterly Reports**

1. The quarterly reports will be sent out today, February 1, 2022.
  - a) The Chairperson requested if the internal submission schedule can be followed by all the departments, as a way to improve the continuous delay in the dissemination of the quarterly report.
    - (1) This will allow more time for the VPBAA and the FABS department to review the quarterly reports and ample time for it to be consolidated.
    - (2) Departments' budget requests will be put on hold, if necessary, if future budget documentations are needed but have not been provided to or obtained by the FABS department.



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- (3) According to the Chairperson, the budget reports will be posted online starting this year.
- 2. The Chairperson explained to the members the importance of the quarterly reports.
  - a) One of the purposes of the quarterly budget report is to indicate the progress, based on the department's work plan.
- 3. The FABS Director reminded the members of the importance of submitting their invoices to close out the prepaid expenses.
  - a) All the invoices should be sent electronically to the Senior Accountant, and ensure that their department's prepaid expenses are paid out.


**V. Adjournment**

A. The Chairperson adjourned the Special Meeting at 12:05p.m.

Submitted By:

Concurred By:

Approval Date:

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 Meria N. Bollong  
 Secretariat Officer, EC

DocuSigned by:  
  
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 Stevenson Kotton, VPBAA  
 Chairperson, Budget Committee

April 12, 2022