

AGENDA ITEM 11.f

Funding for Friends of the College of Micronesia-FSM Inc.

RECOMMENDED DIRECTIVE: The Board hereby approves transfer of \$500,000 from the fund balance to the Friends of the College of Micronesia-FSM Inc. to start their endowment.

DISCUSSION: The Board of Regents first discussed the idea of a foundation to boost fundraising efforts during its March 2011 meeting and devoted their May reflection to learning more about foundations. In January 2012, the board decided to wait until the new president is on board to weigh in on a proposal submitted to assist the college with establishing a foundation.

At the August 2012 meeting, President Daisy after consulting with Mr. Wilson Hess, former President of the College of the Marshall Islands, recommended Thomas Roha, an attorney who specializes in corporate and tax counsel to nonprofit organization and who established the charitable support structure for the College of the Marshall Islands, to provide support and establish a foundation that is U.S. IRS –recognized. The board accepted the president’s recommendation.

Mr. Roha then proceeded with drafting the articles of incorporation, bylaws, exemption application for submission to IRS to seek exemption from US income tax as a 501(c)(3) organization. In the meantime, a five-member board for the new Friends of the College of Micronesia-FSM Inc. was established and organized.

In September 2013, the college was informed that the IRS approved our application for non-profit status. The pieces are falling into place, and foundation board is gearing up for its first organizational meeting. An endowment for the new board needs to be established. It is recommended that the initial funding for the new endowment come from the COM-FSM fund balance.

ACTION TAKEN:

VOTE:

_____ Approved as presented

_____aye _____nay _____abstain

_____Approved w/ modifications

_____Disapproved

_____Deferred to a later meeting

DATE: _____