The Honorable Wesley W. Simina  
Speaker  
Twenty-First Congress  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear Speaker Simina:

I am pleased to transmit the following act, which I have signed into Public Law No. 21-17:

Congressional Act No. 21-33, entitled: "AN ACT TO REQUIRE REPORTING FOR ALL PROGRAMS AND PROJECTS FUNDED BY FOREIGN FINANCIAL ASSISTANCE OR BY United States FEDERAL PROGRAMS BY ADDING A NEW SUBSECTION (3) TO SECTION 226 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES"

I wish to congratulate congress for the passage of this act, which in my view, will complement very positively upon the ongoing public advocacy of this Administration towards transparency and accountability in the government. Thank you.

Sincerely,

[Signature]

David W. Pandelo  
President

xc: Chief Justice, FSM Supreme Court
July 30, 2019

His Excellency David W. Panuelo
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear President Panuelo:

I have the honor to transmit herewith Congressional Act No. 21-33, "AN ACT TO REQUIRE ANNUAL REPORTING FOR ALL PROGRAMS AND PROJECTS FUNDED BY FOREIGN FINANCIAL ASSISTANCE OR BY UNITED STATES FEDERAL PROGRAM FUNDS BY ADDING A NEW SUBSECTION (3) TO SECTION 226 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES.", which was passed by the Twenty-First Congress of the Federated States of Micronesia, Second Special Session, 2019, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana Ramon Ioanis
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
An Act

TO REQUIRE ANNUAL REPORTING FOR ALL PROGRAMS AND PROJECTS FUNDED BY FOREIGN FINANCIAL ASSISTANCE OR BY UNITED STATES FEDERAL PROGRAM FUNDS BY ADDING A NEW SUBSECTION (3) TO SECTION 226 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FERNY S. PERMAN

DATE: JUNE 11, 2019

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – JULY 25, 2019

FIRST READING: – JULY 25, 2019
SECOND READING: – JULY 26, 2019

Liwiana Ramon Ioams
Chief Clerk, FSM Congress
ACT NO. 21-33

(CONGRESSIONAL BILL NO. 21-13, C.D.1, C.D.2)

We hereby certify that on July 26 the foregoing act passed Second and Final Reading of the Twenty-First Congress of the Federated States of Micronesia, Second Special Session, 2019, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Wesley W. Simina
Speaker
Congress of the Federated States of Micronesia

Liwiana Ramon Ioanis
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To require annual reporting for all programs and projects funded by foreign financial assistance or by United States Federal program funds by adding a new subsection (3) to section 226 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1. Section 1. Title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by adding a new subsection (3) to section 226, to read as follows:

   "Section 226. Required reports.

   (1) Required reports from allottees.

   (a) Not later than May 1 of each year, each allottee shall submit to the Congress of the Federated States of Micronesia which shall provide for the full accounting of each line item, or subsection apportioning funds, as of the end of the second quarter of the fiscal year, detailing obligations incurred against all sums appropriated by the Congress of the Federated States of Micronesia or made available to an allottee from other sources, to include a detailed explanation and full justification for each major deviation from a line item, or subsection apportioning funds.

   (b) Not later than October 31 of each year, each allottee shall submit a report to the Congress of the
Federated States of Micronesia or made available to an allottee from other sources, to include a detailed explanation and full justification for each major deviation from a line item, or subsection apportioning fund.

(c) The reports required by subparagraphs (a) and (b) above shall include a statement by the allottee of the status of the project, program, or list the achievements of the department or agency for which the funds were allotted. For all allottees, except those receiving allotments for governmental operations, the statement shall detail the percentage of completion of the project or program and shall include an estimation of the completion date for the project or program, where appropriate.

(2) Required reports from the Secretary of the Department of Finance and Administration.

(a) Not later than January 31 of each year, the Secretary of the Department of Finance and Administration shall submit unaudited financial statements of the National Government to the Congress of the Federated States of Micronesia, or, he shall provide in writing, an explanation of why he is unable to provide such reports. The explanation shall include a date by which he will provide the required reports.
(b) Ten days prior to each session of Congress, whether a regular or special session, the Secretary of the Department of Finance and Administration shall submit, to the Speaker of Congress and the Chairman of the Committee on Ways and Means, an accurate report of current projected revenues for the fiscal year. This report shall detail projected revenues by source and shall reflect appropriations made during the fiscal year. The report should show the balance of funds available for appropriation by the Congress

(3) Required reports on programs and projects funded by foreign financial assistance or by United States Federal program funds.

(a) A program or project funded by foreign financial assistance or United States Federal program funds shall submit to the Congress of the Federated States of Micronesia a final expenditure and performance report on the use and disbursement of all funds within 30 day of the closing of a grant award or completion of a grant cycle.

(b) Congress shall not approve by resolution an agreement, award, or application for foreign financial assistance or United States Federal program funds for a program or project if the reports required by this
subsection for the program or project have not been submitted to Congress.

Section 2. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

August 27, 2019

David W. Panuelo
President
Federated States of Micronesia

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