A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 210, as enacted by Public Law No. 9-074, to modify the operation and scope of the Foreign Assistance Fund, and for other purposes.

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

1. Section 210 of chapter 2 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 9-074, is hereby amended to read as follows:

"Section 210. Foreign Assistance Fund.

(1) Definitions.

(a) 'Agreement' shall refer to any arrangement, understanding, covenant, compact, transaction or other agreement, in any form, entered into by and between an official of the National Government, or the National Government's designee, and a foreign governmental entity, for the receipt or acceptance of financial or in-kind assistance or aid, on behalf of any National or State governmental entity. Separate agreements with a single foreign governmental entity regarding financial or in-kind assistance entered into within thirty days of each other shall be deemed to be a single agreement for purposes of triggering the requirement of Congressional approval under subsection (2).

(b) 'Foreign financial assistance' shall refer to currency, money, accounts or notes receivable, offered as aid or assistance to the National Government of the Federated States of Micronesia by a foreign governmental entity, other than foreign aid or assistance received from the
United States of America pursuant to, or authorized
by, the provisions of the Compact of Free
Association between the Federated States of
Micronesia and the United States of America
Act of 1985, and other than aid or assistance
received into any of the other funds created under
sections 211 through 213 of this title.

(c) 'Foreign in-kind assistance' shall
refer to any and all foreign assistance in the form
of goods, services, or other modes of assistance not
covered under subsection (1)(b) hereof.

(2) Approval by Congress. The President shall
submit any agreement for the acceptance or receipt
of foreign financial or in-kind assistance greater
than $50,000 in value to the Congress no later than
the first regular or special session of Congress
convened immediately subsequent to the execution of
such agreement, for approval by resolution.

(a) No such agreement shall be valid, and
no funds, goods, or services may be received
pursuant to such agreement, unless and until
Congress approves the agreement by resolution.

(b) Should the Congress not approve such
agreement by resolution before the adjournment of
the first regular session following this President's
submission of the agreement to Congress, that
agreement shall be deemed disapproved.

(3) **Foreign Assistance Fund.** There is hereby
established within the National Treasury of the
Federated States of Micronesia a Foreign Assistance
Fund which shall initially consist of all
unobligated balances of foreign financial assistance
received from the preceding fiscal year, and all
foreign financial assistance **designated** for
the National Government and made available beginning
October 1, 1996. Thereafter, the Department of
Finance shall receive, maintain a complete record
of, and where applicable, deposit all foreign
financial assistance as defined in subsection (1) of
this section into the Fund, pursuant to the

(a) The President or the President's
designee shall notify the Congress of the receipt of
foreign financial assistance, the amount thereof in
U.S. dollars, and, where applicable, the deposit of
such assistance into the Fund, no later than the
first session of Congress, be it regular or special,
convened subsequent to such receipt.

(b) **RECEIVED** AND **RECEIVED** IN THE FUND

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The President or the President's designee shall in writing notify the Congress of the value thereof in U.S. dollars of foreign in-kind assistance received, of the nature thereof, and of the destination where goods have been delivered, or and of the location where services have been rendered, no later than the first session of the Congress convened subsequent to such receipt.

(4) Development of Fund - Duties of the Department of Finance. The Division of Investment Management of the Department of Finance shall, upon approval of the President and in cooperation with the Department of External Affairs, actively seek foreign assistance funding, foster productive use of foreign assistance, and produce reports on the acquisition, use, expenditure of, and fiscal obligations attendant upon, foreign assistance available to or received by the National Government of the Federated States of Micronesia.

(5) Reports. No later than April 1 of each year, the President shall submit to the Congress a report on the status of the Foreign Assistance Fund, which report shall include:

(a) a complete and accurate accounting of
all foreign financial assistance received;

(b) a complete and accurate record of the manner in which the foreign financial assistance was distributed as among and between the States and the National Government; and

(c) whether such distribution comports with the provisions of article XII, section 1(b) of the Constitution."

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.

Date: 10/14/96

Introduced by: [Signature]