

A BILL FOR AN ACT

To amend section 210 of title 55 of the Code of the Federated States of Micronesia, as amended, to restrict the need for Congress approval to grants above \$100,000, to give committees of Congress the power to approve foreign grants, and for other purposes.

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

1 Section 1. Section 210 of title 55, as amended, is
2 hereby amended as follows:

3 Section 210. Foreign Assistance Fund.

4 (1) Definitions.

5 (a) "Agreement" shall refer to any
6 arrangement, understanding, covenant, compact,
7 transaction or other agreement, in any form, entered
8 into by and between an official of the National
9 Government, or the National Government's designee,
10 and a foreign governmental entity, for the receipt
11 or acceptance of financial assistance or aid, on
12 behalf of any National or State governmental entity.

13 (b) "Foreign financial assistance" shall
14 refer to currency, money, accounts or notes
15 receivable, offered as aid or assistance to the
16 National Government of the Federated States of
17 Micronesia, other than foreign aid or assistance
18 received from the United States of America pursuant
19 to, or authorized by, the provisions of the Compact

1 of Free Association between the Federated States of
2 Micronesia and the United States of America.

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

7 (2) Approval by Congress. The President shall
8 submit any agreement for the acceptance or receipt
9 of foreign financial assistance over \$100,000 to the
10 Congress no later than the first regular or special
11 session of Congress convened immediately subsequent
12 to the execution of such agreement, for approval by
13 resolution.

14 (a) No such agreement shall be valid, and
15 no funds may be received pursuant to such agreement,
16 unless and until either Congress approve the
17 agreement by resolution, or when Congress is not in
18 session, the relevant committee having jurisdiction
19 over the grant approve the agreement by committee
20 report within forty days (40) of the grant's
21 submission to Congress.

22 (b) Should the Congress or the relevant
23 committees not approve such agreement by resolution
24 or by communication under subsection (2a) before the
25 adjournment of the first regular session following

1 the President's submission of the agreement to
2 Congress, that agreement shall be deemed
3 disapproved.

4 (3) Foreign Assistance Fund. There is hereby
5 established within the National Treasury of the
6 Federated States of Micronesia a Foreign Assistance
7 Fund which shall initially consist of all unobligated
8 balances of foreign assistance funds from the preceding
9 fiscal year, and all foreign assistance funds
10 designated for the National Government and made
11 available beginning October 1, 1996. Thereafter, the
12 Department of Finance shall receive, maintain a
13 complete record of, and where applicable, deposit all
14 foreign financial assistance as defined in subsection
15 (1) of this section into the Fund, pursuant to the
16 Financial Management Act of 1979.

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

24 (b) Where the foreign financial assistance
25 received is denominated in the form of goods or

1 services, the President or the President's designee
2 shall notify the Congress of the value thereof in U.S.
3 dollars, and the destination where such goods have been
4 delivered, or location where such services have been
5 rendered, no later than the first session of the
6 Congress convened subsequent to such receipt.

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

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

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

24 (b) a complete and accurate record of the
25 manner in which the foreign financial assistance was

1 distributed as among and between the States and the
2 National Government; and

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

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

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9 Date: 1/9/14

Introduced by: /s/ Joseph J. Ursuemal
Joseph J. Urusemal

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