
A BILL FOR AN ACT

To further amend section 210 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-149, to clarify the approval requirements for applications for, and funds received related to, foreign financial assistance and United States Federal programs, and for other purposes.

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

1 Section 1. Section 210 of Title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended by Public
3 Law No. 19-149, is hereby further amended to read as follows:

4 "Section 210. Foreign Financial Assistance and
5 United States Federal program funds.

6 (1) Definitions.

7 (a) "Agreement" shall refer to any agreement,
8 understanding, covenant, compact, transacting or
9 other agreement, in any form, entered into by and
10 between an official of the National Government, or
11 the National Government's designee, and a foreign
12 governmental entity, international or United Nations
13 organizations, or multilateral development banks,
14 for the receipt or acceptance of financial
15 assistance or aid, on behalf of any National or
16 State governmental entity.

17 (b) "Application" shall refer to the totality

1 of forms, proposals, responses to questionnaires,
2 and other documents, prepared by the Federated State
3 of Micronesia or the donor, that constitute a
4 request for funding and are required prior to the
5 donor's decision to provide funding.

6 [~~(b)~~] (c) "Foreign financial assistance" shall
7 refer to currency, money, accounts or notes receivable
8 offered as aid or assistance to the National
9 Government of the Federated States of Micronesia,
10 other than foreign aid or assistance received from the
11 United States of America described in paragraph (e).

12 [~~(e)~~] (d) "Foreign in-kind assistance" shall
13 refer to any and all foreign assistance in the form of
14 goods, services, or other modes of assistance not
15 covered under subsection [~~(1)(b)~~] (1)(c) hereof.

16 (e) "United States Federal program funds" shall
17 refer to all funds made available to the Federated
18 States of Micronesia pursuant to sections 221(a),
19 221(c), and 224 of the Compact of Free Association and
20 United States statute through categorical, block,
21 consolidated project, or discretionary grants.

22 (2) Approval by Congress.

23 [~~U.S. federal funded program grant awards under~~
24 ~~\$100,000 do not require approval by Congress by~~
25 ~~resolution. All other foreign financial assistance in~~

1 ~~any amount requires approval by Congress by~~
2 ~~resolution.]~~

3 (a) The following applications must be approved
4 by Congress by resolution:

5 (i) applications for foreign financial
6 assistance in the form of loans, grants, and other
7 technical and financial assistance, from multilateral
8 development banks in excess of \$500,000;

9 (ii) applications for foreign financial
10 assistance from donors other than multilateral
11 development banks in excess of \$200,000; and

12 (iii) first year or first time applications
13 for United States Federal program funds in excess of
14 \$200,000.

15 (b) The Department of Justice shall not certify
16 an application requiring approval under paragraph (a)
17 of this section as meeting the requirements for
18 internal country approval absent the required
19 resolution.

20 (c) The following agreements must be approved by
21 Congress by resolution:

22 (i) agreements for the acceptance or receipt
23 of foreign financial assistance in excess of \$100,000;
24 and

25 (ii) agreements for the acceptance or

1 receipt of United States Federal program funds in
2 excess of \$100,000.

3 (d) The President shall submit any agreement [for
4 the acceptance or receipt of foreign financial
5 assistance] described in paragraph (c) of this section
6 to the Congress no later than the first regular or
7 special session congress convened immediately
8 subsequent to the execution of such agreement, for
9 approval by resolution. If Congress does not approve
10 such agreement by resolution before the adjournment of
11 the first regular session following the President's
12 submission to Congress, the agreement shall be deemed
13 disapproved. [(a)] No such agreement shall be valid,
14 and no funds may be received pursuant to such
15 agreement, unless and until the requirements of this
16 section have been met. [Foreign financial assistance
17 of up to \$10,000 may be disbursed by the President in
18 accordance with the terms and conditions of the
19 assistance.

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

25 (c) Any first time application for foreign

1 ~~financial assistance shall require the approval by~~
2 ~~Congress through a resolution.]~~

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

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

23 (b) Where the foreign financial assistance
24 received is denominated in the form of goods or
25 services, the President or the President's designee

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

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

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

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

23 (b) a complete and accurate record of the manner
24 in which the foreign financial assistance was
25 distributed as among and between the States and the

1 National Government; and

2 (c) whether such distribution comports with the
3 provisions of article XII, section 1(b) of the
4 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: 12/3/19

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

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