

A BILL FOR AN ACT

To amend section 210, title 55 of the Code of the Federated States of Micronesia; and for other purposes.

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

1 Section 1. Section 210, title 55 of the FSM Code is hereby
2 amended to read as follows:

3 "Section 210. Foreign Assistance Fund.

4 (1) Definitions.

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

13 (b) "Foreign financial assistance" shall refer to
14 currency, money, accounts or notes receivable, offered
15 as aid or assistance to the National Government of the
16 Federated States of Micronesia. [~~7 other than foreign~~
17 ~~aid or assistance~~] Any money received from the United
18 States of America pursuant to, or authorized by, the
19 provisions of the Compact of Free Association, as
20 amended between the Federated States of Micronesia and

1 the United States of America shall likewise be deemed a
2 foreign financial assistance that is subject to the
3 procedures and practices set forth in chapter II of
4 title 55 of the FSM Code.

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

9 (2) Approval by Congress.

10 (a) The President shall submit any agreement for
11 the acceptance or receipt of foreign financial
12 assistance to the Congress no later than the first
13 regular or special session of Congress convened
14 immediately subsequent to the execution of such
15 agreement, for approval by resolution.

16 (~~[a]~~b) No such agreement shall be valid, and no
17 funds may be received pursuant to such agreement, unless
18 and until Congress approves the agreement by resolution.

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

1 (d) Notwithstanding any provision of law to the
2 contrary, money deemed as foreign financial assistance
3 in this section requires a Congressional appropriation.

4 (3) Foreign Assistance Fund. There is hereby
5 established within the National Treasury of the
6 Federated States of Micronesia a Foreign Assistance Fund
7 which shall initially consist of all unobligated
8 balances of foreign assistance funds from the preceding
9 fiscal year, and all foreign assistance funds designated
10 for the National Government and made available beginning
11 October 1, 1996. Thereafter, the Department of Finance
12 shall receive, maintain a complete record of, and where
13 applicable, deposit all foreign financial assistance as
14 defined in subsection (1) of this section into the Fund,
15 pursuant to the 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 of such
20 assistance into the Fund, no later than the first
21 session of Congress, be it regular or special, convened
22 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 destination where such goods have been
3 delivered, or location where such services have been
4 rendered, no later than the first session of the
5 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 External Affairs, actively seek foreign assistance
11 funding, foster productive use of foreign assistance,
12 and produce reports on the acquisition, use, expenditure
13 of, and fiscal obligations_attendant upon, foreign
14 assistance available to or received by the National
15 Government of the Federated States of Micronesia.

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

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

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

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

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

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8 Date: 1/03/09

Introduced by: /s/ Resio S. Moses

Joe N. Suka
(by request)

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