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A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by further amending section 224 thereof, as renumbered by Public Law No. 9-074, to shorten the period for liquidating obligations and to impose liability for late liquidation, and for other purposes.

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

1 Section 1. Section 224 of title 55 of the Code of the Federated States
2 of Micronesia, as renumbered by Public Law No. 9-074, is hereby further
3 amended to read as follows:

4 "Section 224. Disbursement procedures. Unless otherwise
5 specifically provided by law, the following procedures shall control
6 the administration and management of all funds appropriated
7 from the General Fund of the Federated States of Micronesia or
8 made available to the Federated States of Micronesia from other
9 sources:

10 (1) All such funds shall remain in the custody and control
11 of the Secretary of Finance until they are obligated and disbursed
12 by him in accordance with law.


13 (2) Such funds shall be deemed to be obligated as of the
14 date the person or entity to whom the funds are allotted enters
15 into a legally binding written agreement supported by the
16 documentary evidence required by section 21~~89~~ of this chapter or
17 rules and regulations issued pursuant to authority vested by
18 section 22~~79~~ of this chapter.

19 (3) The Secretary of Finance or his designee shall disburse
20 such funds as may be required to liquidate valid obligations within
21 thirty five working days of their becoming payable, as indicated
22 by valid documentary evidence of such obligation and a valid claim
23 for payment, if required by the terms of the document evidencing
24 the obligation. Failure to liquidate an obligation in the whole within
25 the time allotted, absent just cause, shall make the Secretary, or

1 if he has delegated responsibility, his designee, personally liable to
 2 the obligor in the amount of 50% of the amount due but not
 3 timely liquidated."

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

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 8 Date: 10-27-97

Introduced by: 
 Jack Fritz

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