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:

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

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

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

(2) Such funds shall be deemed to be obligated as of the date the person or entity to whom the funds are allotted enters into a legally binding written agreement supported by the documentary evidence required by section 2159 of this chapter or rules and regulations issued pursuant to authority vested by section 2279 of this chapter.

(3) The Secretary of Finance or his designee shall disburse such funds as may be required to liquidate valid obligations within thirty five working days of their becoming payable, as indicated by valid documentary evidence of such obligation and a valid claim for payment, if required by the terms of the document evidencing the obligation. Failure to liquidate an obligation in the whole within the time allotted, absent just cause, shall make the Secretary, or
if he has delegated responsibility, his designee, personally liable to
the obligor in the amount of 50% of the amount due but not
timely liquidated."

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: 10-27-97

Introduced by: Jack Fritz