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A BILL FOR AN ACT

To amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 224, as renumbered by Public Law No. 9-074, to set forth circumstances under which funds may be disbursed in advance of obligation, 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  
2 Federated States of Micronesia, as amended, and as renumbered  
3 by Public Law No. 9-076, is hereby amended to read as  
4 follows:

5           "Section 224. Disbursement procedures.

6           Unless otherwise specifically provided by law, the  
7 following procedures shall control the  
8 administration and management of all funds  
9 appropriated from the General Fund of the  
10 Federated States of Micronesia or made available  
11 to the Federated States of Micronesia from other  
12 sources:

13           (1) All such funds shall remain in the  
14 custody and control of the Secretary of Finance  
15 until they are obligated and disbursed by him in  
16 accordance with law, provided, however that the  
17 Secretary may disburse funds in advance of  
18 obligation, in accordance with regulations, as  
19 follows:

20                           (a) for travel;

21                           (b) for advances against individual  
22 salaries or wages, which shall not exceed the  
23 amount earned by the employee or official but not  
24 yet paid;.

25                           (c) for the purchase of personal

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1 property for which a Purchase Order, Job Order, or  
2 Request has been processed with the Secretary;

3 (d) to advance funds under a contract  
4 to which an FSM National Government branch or  
5 agency is a party, when required by the terms of  
6 the contract; and

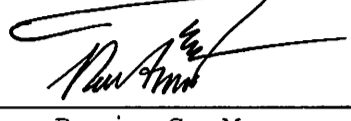
7 (e) to establish a petty cash fund of  
8 no more than \$200 for incidental expenses.

9 (2) Such funds shall be deemed to be  
10 obligated as of the date the person or entity to  
11 whom the funds are allotted enters into a legally  
12 binding written agreement supported by the  
13 documentary evidence required by section ~~218~~ 219  
14 of this chapter or rules and regulations issued  
15 pursuant to authority vested by section ~~227~~ 228 of  
16 this chapter.

17 (3) The Secretary of Finance shall disburse  
18 such funds as may be required to liquidate valid  
19 obligations within 30 days of their becoming  
20 payable, as indicated by valid documentary  
21 evidence of such obligation and a valid claim for  
22 payment, if required by the terms of the document  
23 evidencing the obligation."  
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1 Section 2. This act shall become law upon approval by  
2 the President of the Federated States of Micronesia or upon  
3 its becoming law without such approval.

4  
5 Date: 2-09-98 Introduced by:   
6 Resio S. Moses

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