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:

Section 1. Section 224 of title 55 of the Code of the Federated States of Micronesia, as amended, and as renumbered by Public Law No. 9-076, is hereby 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, provided, however that the Secretary may disburse funds in advance of obligation, in accordance with regulations, as follows:

(a) for travel;

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

(c) for the purchase of personal
property for which a Purchase Order, Job Order, or
Request has been processed with the Secretary;

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

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

(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 218 219
of this chapter or rules and regulations issued
pursuant to authority vested by section 220 228 of
this chapter.

(3) The Secretary of Finance shall disburse
such funds as may be required to liquidate valid
obligations within 30 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."
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: 2-07-98  Introduced by: ________

Resio S. Moses