
A BILL FOR AN ACT

To further clarify the procedures for approving foreign financial assistance and program funds by amending section 210 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, to rectify typographical errors, to replace the Division of Investment Management with the Overseas Development Assistance, and for other purposes.

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

1 Section 1. Section 210 of title 55 of the Code of the
2 Federated States of Micronesia (Annotated), as amended, is hereby
3 further amended to read as follows:

4 "Section 210. Foreign Financial Assistance.

5 (1) Definitions.

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

14 (b) "Foreign financial assistance" shall refer
15 to currency, money, accounts or notes receivable,
16 offered as aid or assistance to the National Government
17 of the Federated States of Micronesia, other than
18 foreign aid or assistance received from the United

1 States of America.

2 (c) "Foreign in-kind assistance" shall refer to
3 any and all foreign assistance in the form of goods,
4 services, or other modes of assistance not covered under
5 subsection (1)(b) hereof. This shall not include goods
6 or services agreed to as part of a fishing access
7 agreement entered into pursuant to title 24 of this
8 code.

9 (2) Approval by Congress. U.S. federally funded
10 program grant awards of [~~\$100,000~~] \$200,000 do not
11 require approval by Congress by resolution. All other
12 federally funded program grant awards, including foreign
13 financial assistance in any amount, requires approval by
14 Congress by resolution. No later than the first regular
15 or special session subsequent to the issuance of grant
16 award or execution of an agreement, [The] the President
17 shall submit federally funded program grant awards and
18 any agreement for the acceptance or receipt of foreign
19 financial assistance [to the Congress no later than the
20 first regular or special session of Congress convened
21 immediately subsequent to the execution of such
22 agreement, for] that require approval by resolution.

23 (a) No such agreement shall be valid, and no
24 funds may be received pursuant to such agreement, unless
25 and until the requirement of this section have been met.

1 Foreign financial assistance of up to \$10,000 may be
2 disbursed by the President in accordance with the terms
3 and conditions of the assistance, without further
4 transmitting it to Congress for approval.

5 (b) Should the Congress not approve such
6 agreement by resolution before the adjournment of the
7 first regular session following the President's
8 submission of the agreement to Congress, that agreement
9 shall be deemed [~~disapproved~~] approved.

10 [~~(c) Any first time application for foreign~~
11 ~~financial assistance shall require the approval by~~
12 ~~Congress through a resolution.]~~

13 (3) Foreign Assistance Fund. There is hereby
14 established within the National Treasury of the
15 Federated States of Micronesia a Foreign Assistance Fund
16 which shall initially consist of all unobligated
17 balances of foreign assistance funds from the preceding
18 fiscal year, and all foreign assistance funds designated
19 for the National Government and made available beginning
20 October 1, 1996. Thereafter, the Department of Finance
21 shall receive, maintain a complete record of, and where
22 applicable, deposit all foreign financial assistance as
23 defined in subsection (1) of this section into the Fund,
24 pursuant to the Financial Management Act of 1979.

25 (a) The President or the President's designee

1 shall notify the Congress of the receipt of foreign
2 financial assistance, the amount thereof in U.S.
3 dollars, and, where applicable, the deposit of such
4 assistance into the Fund, no later than the first
5 session of Congress, be it regular or special, convened
6 subsequent to such receipt.

7 (b) Where the foreign financial assistance
8 received is denominated in the form of goods or
9 services, the President or the President's designee
10 shall notify the Congress of the value thereof in U.S.
11 dollars, and the destination where such goods have been
12 delivered, or location where such services have been
13 rendered, no later than the first session of the
14 Congress convened subsequent to such receipt.

15 (4) Development of Fund – Duties of the Department of
16 Finance. The Office of Overseas Development Assistance
17 [~~Division of Investment Management of the Department of~~
18 ~~Finance~~] shall, upon approval of the President and in
19 cooperation with the Department of Foreign [~~External~~]
20 Affairs, actively seek foreign assistance funding,
21 foster productive use of foreign assistance, and produce
22 reports on the acquisition, use, expenditure of, and
23 fiscal obligations attendant upon, foreign assistance
24 available to or received by the National Government of
25 the Federated States of Micronesia.

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

5 (a) a complete and accurate accounting of all
6 foreign financial assistance received;

7 (b) a complete and accurate record of the manner
8 in which the foreign financial assistance was
9 distributed as among and between the States and the
10 National Government; and

11 (c) whether such distribution comports with the
12 provisions of article XII, section 1(b) of the
13 Constitution."

14 Section 2. This act shall act shall become law upon approval
15 by the President of the Federated States of Micronesia or upon its
16 becoming law without such approval.

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18 Date: 5/18/17

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper
(by request)

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