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:

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


(1) Definitions.

(a) “Agreement” shall refer to any agreement, understanding, covenant, compact, [transacting] transaction or other agreement, in any form, entered into by and between an official of the National Government, or the National Government’s designee, and a foreign governmental entity, for the receipt or acceptance of financial assistance or aid, on behalf of any National or State governmental entity.

(b) “Foreign financial assistance” shall refer to currency, money, accounts or notes receivable, offered as aid or assistance to the National Government of the Federated States of Micronesia, other than foreign aid or assistance received from the United
(c) "Foreign in-kind assistance" shall refer to any and all foreign assistance in the form of goods, services, or other modes of assistance not covered under subsection (1)(b) hereof. This shall not include goods or services agreed to as part of a fishing access agreement entered into pursuant to title 24 of this code.

(2) Approval by Congress. U.S. federally funded program grant awards of [$100,000] $200,000 do not require approval by Congress by resolution. All other federally funded program grant awards, including foreign financial assistance in any amount, requires approval by Congress by resolution. No later than the first regular or special session subsequent to the issuance of grant award or execution of an agreement, the President shall submit federally funded program grant awards and any agreement for the acceptance or receipt of foreign financial assistance [to the Congress no later than the first regular or special session of Congress convened immediately subsequent to the execution of such agreement, for] that require approval by resolution.

(a) No such agreement shall be valid, and no funds may be received pursuant to such agreement, unless and until the requirement of this section have been met.
Foreign financial assistance of up to $10,000 may be disbursed by the President in accordance with the terms and conditions of the assistance, without further transmitting it to Congress for approval.

(b) Should the Congress not approve such agreement by resolution before the adjournment of the first regular session following the President’s submission of the agreement to Congress, that agreement shall be deemed approved.

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

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

(a) The President or the President’s designee
shall notify the Congress of the receipt of foreign
financial assistance, the amount thereof in U.S.
dollars, and, where applicable, the deposit of such
assistance into the Fund, no later than the first
session of Congress, be it regular or special, convened
subsequent to such receipt.

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

(4) Development of Fund — Duties of the Department of
Finance. The Office of Overseas Development Assistance
[Division of Investment Management of the Department of
Finance] shall, upon approval of the President and in
cooperation with the Department of Foreign [External]
Affairs, actively seek foreign assistance funding,
foster productive use of foreign assistance, and produce
reports on the acquisition, use, expenditure of, and
fiscal obligations attendant upon, foreign assistance
available to or received by the National Government of
the Federated States of Micronesia.
(5) Reports. No later than April 1 of each year, the President shall submit to the Congress a report on the status of the Foreign Assistance Fund, which report shall include:

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

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

(c) whether such distribution comports with the provisions of article XII, section 1(b) of the Constitution.”

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: 5/18/17

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