A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, by amending sections 205, 224, and 224B, and further amending section 219, as amended by Public Law No. 19-154, for the purpose of clarifying provisions of the Financial Management Act of 1979 relating to the accounting duties of the Secretary of Finance, the documentary evidence required to support obligations, disbursement procedures, and the definition of "representation expense", and for other purposes.

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

Section 1. Section 205 of title 55 of the Code of the Federated States of Micronesia (Annotated) is hereby amended to read as follows:

"Section 205. Secretary of Finance – Accounting Duties. (1) The Secretary of Finance of the Federated States of Micronesia shall be the general accountant of the General Fund of the Federated States of Micronesia. He shall record and audit, or cause to be recorded and audited, every receipt and disbursement of money paid to, by, or through the National Treasury of the Federated States of Micronesia. He shall have full and complete supervision of all funds of the Federated States of Micronesia, including the power to withhold his approval when necessary to prevent misappropriation of public funds as well as the disbursement of public moneys in excess of specific..."
appropriations] the disbursement of such funds would be a violation of a specific appropriation.

(2) The Secretary of Finance shall keep a complete set of double entry books in which he shall open or cause to be opened all Government accounts and for the several amounts as shown by the appropriation bill, or any other appropriation that may at any time be made by the Congress of the Federated States of Micronesia, and he shall record his daily business transactions in detail therein. He shall also keep ledgers in which he shall open, arrange, and keep in a methodical and systematic manner the various accounts so that the status and condition of all funds and appropriations, of all assets and liabilities, and of all income and expenditures of all funds of the Federated States of Micronesia may at any time be ascertained and known; and further, he shall keep such books and all such other auxiliary books and documents as he may deem necessary for the correct and proper administration of his office."

Section 2. Section 219 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 19-154, is hereby further amended to read as follows:

"Section 219. Documentary evidence required to support
obligations. No amount shall be recorded as an obligation of the Government of the Federated States of Micronesia unless it is supported by documentary evidence of:

(1) a binding agreement in writing, between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by United States or Federated States of Micronesia law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; or

(2) a valid loan agreement, showing the amount of the loan to be made and the terms or schedule of repayment thereof; or

(3) an order required by United States or Federated States of Micronesia law to be placed with an agency; or

(4) an order issued pursuant to United States or Federated States of Micronesia law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or

(5) a grant or subsidy payable:
(a) from appropriations made for payment of or contributions toward sums required to be paid in specific amounts fixed by United States or Federated States of Micronesia law, or in accordance with formulae prescribed by United States or Federated States of Micronesia law, or

(b) pursuant to an agreement authorized by, or plans approved in accordance with and authorized by United States or Federated States of Micronesia law; or

(6) a liability which may result from pending litigation brought under authority of United States or Federated States of Micronesia law; or

(7) employment or services of persons or expenses of travel in accordance with United States or Federated States of Micronesia law, or services performed by public utilities; or

(8) any other legal liability of the Federated States of Micronesia against an appropriation or funds legally available therefor; or

(9) in the case of representation expenses and official expense allowance expenses, an affidavit of the allottee or sub-allottee describing the amount [and nature], recipient, and use of the expenditure, or a written contract or written receipt, submitted in
a timely manner in accordance with the provisions of
section 224A of this title, shall be deemed to be
sufficient documentary evidence to support a legal
obligation, and in the case where the sub-allottee is
a member of Congress, no further certification from
the Speaker shall be necessary.”

Section 3. Section 224 of title 55 of the Code of the
Federated States of Micronesia (Annotated) 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.

(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 219 of this chapter or rules and
regulations issued pursuant to authority vested by
section 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. If the Secretary fails to disburse such funds within 30 days, the Secretary must provide documentary evidence to the allottee that the disbursement would be a violation of a specific appropriation."

Section 4. Section 224B of title 55 of the Code of the Federated States of Micronesia (Annotated) is hereby amended to read as follows:

"Section 224B. Representation expense, delegation expense and official expense allowance - Definitions."

(1) For purposes of this chapter, “official expense allowance expense” means expenses incurred for goods or services necessary to carry out the official duties of the allottee or sub-allottee.

(2) For purpose of this chapter, “representation expense” means expenses paid using Representation Funds and incurred in the course of official public relations, entertainment activities or constituent services
necessary to advance the purposes and goals of the national government, but does not include expenses incurred in the operations of the National Government.

(3) For purposes of this chapter, “delegation expense” means an expense incurred in the course of delegation operations, including, but not limited to, official public relations, travel, entertainment activities or constituent services necessary to carry out the functions of a State delegation in the Congress of the Federated States of Micronesia.”

Section 5. 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: 1/15/19        Introduced by: /s/ Wesley W. Simina

Wesley W. Simina