A BILL FOR AN ACT

To amend section 210 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, to require that fifty percent (50%) of any non-earmarked foreign financial assistance be contributed to the FSM Trust Fund, where it is to be divided equally among the sub-accounts of the National Government and each of the four states, 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
   Federated States of Micronesia (Annotated), as amended, is hereby amended to read as follows:

   "Section 210. Foreign Assistance Fund.

   (1) Definitions.

   (a) "Agreement" shall refer to any arrangement, understanding, covenant, compact, 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 States of America pursuant to, or authorized by, the provisions of the Compact of Free Association between the Federated States of Micronesia and the United States of America.

(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.

(2) Approval by Congress. The President shall submit 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 approval by resolution.

(a) No such agreement shall be valid, and no funds may be received pursuant to such agreement, unless and until Congress approves the agreement by resolution.

(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
disapproved.

(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

(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 Division of Investment Management of the Department of Finance shall, upon approval of the President and in cooperation with the Department of 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.

(6) Percentage of Non-Earmarked Foreign Financial Assistance to be Contributed to the FSM Trust Fund. In all cases where the National Government receives foreign financial assistance that has not been earmarked for a particular purpose or use, fifty percent (50%) of such foreign financial assistance shall be immediately transferred and contributed to the FSM Trust Fund, where it is to be divided equally among the five sub-accounts of the National Government and the four States.”
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: 7/5/16

Introduced by /s/ Wesley W. Simina

Wesley W. Simina