STANDING COMMITTEE REPORT NO. 20-106

RE:  C.B. No. 20-272/W&M

SUBJECT:  BILL TO AMEND CERTAIN PROVISIONS OF THE FINANCIAL
MANAGEMENT ACT OF 1979

JANUARY 17, 2019

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Sixth Regular Session, 2019

Dear Speaker:

Your Committee on Ways & Means, to which was referred
Congressional Bill No. 20-272, entitled:

“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.”,

begs leave to report as follows:

The intent and purpose of this bill are expressed in its
title.

Your Committee has reviewed C.B. No. 20-272 and concurs
with the purpose of the bill. Your Committee notes that
the bill amends the accounting duties of the Secretary of Finance to clarify that the Secretary may withhold approval for a disbursement if the disbursement would violate an appropriation. The bill further provides that if the Secretary fails to disburse funds within 30 days of the funds becoming payable, the Secretary must provide documentary evidence to the allottee that the disbursement would violate a specific appropriation. Your Committee notes that, under current law and as proposed in the bill, the Secretary is not authorized to question the validity of the appropriation itself. Finally, the bill clarifies the definition of “representation expense”, and provides that when an affidavit is provided as documentary evidence for representation expenses, the affidavit include the amount, recipient, and use of the expenditure.

Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 20-272, and recommends passage of the bill on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. 20-272.
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Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

/s/ Victor V. Gouland
Victor V. Gouland, member

/s/ Ferny S. Perman
Ferny S. Perman, member

/s/ Robson U. Romolow, member
Joseph J. Urusemal, member

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member