AN ACT

To amend title 21 of the Code of the Federated States of Micronesia by adding a new section 206 establishing the Telecommunications Revolving Fund, and by amending section 226 relating to the accounting procedures of the Telecommunications Corporation, and for other purposes.

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

1 Section 1. Title 21 of the Code of the Federated States of Micronesia is hereby amended by adding a new section 206 to read as follows:

"Section 206. Telecommunications Revolving Fund.

(1) There is hereby created and established the Telecommunications Revolving Fund, hereinafter referred to as the 'Fund,' separate from the General Fund of the Federated States of Micronesia and all other funds.

(2) The purpose of the Fund is to establish an ongoing revolving fund to allow appropriations for and revenues from the operations of the Corporation to be used for the operations of the Corporation and for capital investment or acquisition by the Corporation.

(3) All future appropriations for the operations of the Corporation, as well as revenues received from the operations of the Corporation and any other monies raised or received by the Corporation, shall be deposited in the Fund. Any unexpended monies in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

(4) The Fund shall be administered by the Board of Directors of the Corporation."

Section 2. Section 226 of title 21 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:

"Section 226. Accounts and records.

(1) The Board and the chief executive officer shall be jointly responsible to ensure that the budget and finance officer prepares proper and complete books of account reflecting all income, expenses, assets, liabilities, capital, and retained earnings of the Corporation. Accounting for the Corporation shall be on the accrual basis so as to enable periodic determination of profit and loss from operations and the full cost of providing services. Expenses shall include depreciation on fixed assets and amortization of long term debt.

(2) The Board, not later than ninety days after the close of each governmental fiscal year, shall submit to the President, the Congress, and the Governor and legislature of each State a complete report, including financial statements, showing the activities of the Corporation during the fiscal year, the present condition of the Corporation, and such other matters as the Board shall deem appropriate. The financial statements shall include at least a balance sheet, operating statements, statement of changes in financial position, and analysis of changes in retained earnings.

(3) The Public Auditor shall audit the financial statements and books of account of the Corporation no less frequently than annually."
Section 3. Sections 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, and 229 are hereby renumbered as sections 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, and 230, respectively.

Section 4. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

December 19, 1983

Tosito Nakayama
President
Federated States of Micronesia