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A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-16, 5-88, 5-119 and 5-121, by amending section 210 to provide for program review by the Congress of the Federated States of Micronesia only for first year or first time federal grant applications, proposals, or preexpenditure reports and those requesting \$50,000 or more, 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  
2 States of Micronesia is hereby amended to read as follows:

3 "Section 210. Program Fund.

4 (1) Definitions. The term 'programs' shall include  
5 all funds made available to the Federated States of  
6 Micronesia pursuant to sections 221(a), 221(c), and 224  
7 (program funds) of the Compact of Free Association and  
8 United States statute through categorical, block,  
9 consolidated project, or discretionary grants. It shall  
10 also include grants received from any international or  
11 United Nations organization. It shall not include other  
12 funds received pursuant to the Compact of Free Association,  
13 or funds received from the United States Department of  
14 Interior derived from its annual departmental budget, or  
15 those funds known as transition funds, nor indirect costs  
16 received for the administration of Federal programs.

17 (2) Program review. Prior to the submittal of any  
18 first year or first time application, proposal, or  
19 preexpenditure report or any application, proposal, or  
20 preexpenditure report that requests funding for \$50,000 or  
21 more to any United States Federal agency, the President or  
22 his designee shall submit such application, proposal, or  
23 preexpenditure report to the Congress of the Federated  
24 States of Micronesia for its review and approval by  
25 resolution. If Congress is not in session, the appropriate

1 committee shall review and approve the application,  
2 proposal, or preexpenditure report. The scope of such  
3 review shall be complete, with the ability to approve any  
4 aspect of any application, proposal, or preexpenditure.  
5 The approval of any application, proposal, or  
6 preexpenditure report by the appropriate committee shall  
7 not obligate funds from the National Treasury where they  
8 were not otherwise appropriated pursuant to law. The  
9 Congress or the appropriate committee shall complete its  
10 review within thirty days of submission.

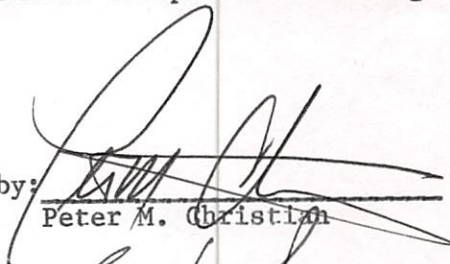
11 (3) Program Fund. There is hereby created within the  
12 National Treasury of the Federated States of Micronesia a  
13 Program Fund into which all funds received by the Federated  
14 States of Micronesia from program sources, as defined  
15 in subsection (1) of this section, shall be deposited. The  
16 President or his designee shall notify Congress of grant  
17 awards and deposits to the Fund. Funds shall be adminis-  
18 tered and withdrawn by the President or his designee.  
19 Funds derived from United States program sources shall be  
20 accounted for and shall be in accordance with reporting  
21 requirements of the United States Government. Initially,  
22 the Program Fund shall consist of all prior year un-  
23 obligated balances of program funds and all program funds  
24 designated for the National Government of the Federated States  
25 of Micronesia and made available beginning October 1, 1982."

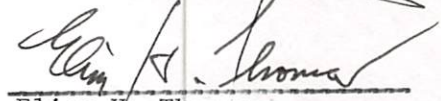
1 Section 2. This act shall become law upon approval by the  
2 President of the Federated States of Micronesia or upon its becoming  
3 law without such approval.

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Date: 3-30-89

Introduced by:

  
Peter M. Christian

  
Elias H. Thomas