
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
2 Federated States of Micronesia (Annotated), as amended, is
3 hereby amended to read as follows:

4 "Section 210. Foreign Assistance Fund.

5 (1) *Definitions.*

6 (a) "Agreement" shall refer to any
7 arrangement, understanding, covenant, compact,
8 transaction or other agreement, in any form,
9 entered into by and between an official of the
10 National Government, or the National Government's
11 designee, and a foreign governmental entity, for
12 the receipt or acceptance of financial assistance
13 or aid, on behalf of any National or State
14 governmental entity.

15 (b) "Foreign financial assistance" shall
16 refer to currency, money, accounts or notes
17 receivable, offered as aid or assistance to the

1 National Government of the Federated States of
2 Micronesia, other than foreign aid or assistance
3 received from the United States of America
4 pursuant to, or authorized by, the provisions of
5 the Compact of Free Association between the
6 Federated States of Micronesia and the United
7 States of America.

8 (c) "Foreign in-kind assistance" shall
9 refer to any and all foreign assistance in the
10 form of goods, services, or other modes of
11 assistance not covered under subsection (1)(b)
12 hereof.

13 (2) *Approval by Congress.* The President shall
14 submit any agreement for the acceptance or receipt
15 of foreign financial assistance to the Congress no
16 later than the first regular or special session of
17 Congress convened immediately subsequent to the
18 execution of such agreement, for approval by
19 resolution.

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

24 (b) Should the Congress not approve such
25 agreement by resolution before the adjournment of

1 the first regular session following the
2 President's submission of the agreement to
3 Congress, that agreement shall be deemed
4 disapproved.

5 (3) *Foreign Assistance Fund.* There is hereby
6 established within the National Treasury of the
7 Federated States of Micronesia a Foreign
8 Assistance Fund which shall initially consist of
9 all unobligated balances of foreign assistance
10 funds from the preceding fiscal year, and all
11 foreign assistance funds designated for the
12 National Government and made available beginning
13 October 1, 1996. Thereafter, the Department of
14 Finance shall receive, maintain a complete record
15 of, and where applicable, deposit all foreign
16 financial assistance as defined in subsection (1)
17 of this section into the Fund, pursuant to the
18 Financial Management Act of 1979.

19 (a) The President or the President's
20 designee shall notify the Congress of the receipt
21 of foreign financial assistance, the amount
22 thereof in U.S. dollars, and, where applicable,
23 the deposit of such assistance into the Fund, no
24 later than the first session of Congress, be it
25 regular or special, convened subsequent to such

1 receipt.

2 (b) Where the foreign financial assistance
3 received is denominated in the form of goods or
4 services, the President or the President's
5 designee shall notify the Congress of the value
6 thereof in U.S. dollars, and the destination where
7 such goods have been delivered, or location where
8 such services have been rendered, no later than
9 the first session of the Congress convened
10 subsequent to such receipt.

11 (4) *Development of Fund—Duties of the*
12 *Department of Finance.* The Division of Investment
13 Management of the Department of Finance shall,
14 upon approval of the President and in cooperation
15 with the Department of External Affairs, actively
16 seek foreign assistance funding, foster productive
17 use of foreign assistance, and produce reports on
18 the acquisition, use, expenditure of, and fiscal
19 obligations attendant upon, foreign assistance
20 available to or received by the National
21 Government of the Federated States of Micronesia.

22 (5) *Reports.* No later than April 1 of each
23 year, the President shall submit to the Congress a
24 report on the status of the Foreign Assistance
25 Fund, which report shall include:

1 (a) a complete and accurate accounting of
2 all foreign financial assistance received;

3 (b) a complete and accurate record of the
4 manner in which the foreign financial assistance
5 was distributed as among and between the States
6 and the National Government; and

7 (c) whether such distribution comports
8 with the provisions of article XII, section 1(b)
9 of the Constitution.

10 (6) Percentage of Non-Earmarked Foreign
11 Financial Assistance to be Contributed to the FSM
12 Trust Fund. In all cases where the National
13 Government receives foreign financial assistance
14 that has not been earmarked for a particular
15 purpose or use, fifty percent (50%) of such
16 foreign financial assistance shall be immediately
17 transferred and contributed to the FSM Trust Fund,
18 where it is to be divided equally among the five
19 sub-accounts of the National Government and the
20 four States."

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

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5 Date: 7/5/16

Introduced by /s/ Wesley W. Simina
Wesley W. Simina

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