

SECOND CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FOURTH REGULAR SESSION, 1982

CONGRESSIONAL BILL NO. 2-262, C.D.1,  
C.D.2

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AN ACT

To add a new section to title 55 of the Code of the Federated States of Micronesia establishing a separate fund for United States Federal Programs and United Nations Projects; and for other purposes.

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

1 Section 1. The Financial Management Act of 1979, chapter 2 of  
2 title 55 of the Code of the Federated States of Micronesia, is hereby  
3 amended by addition of a new section 211 as follows:

4 "Section 211. United States Federal Program Fund.

5 (1) Definitions. The term "United States Federal  
6 programs" shall include all funds made available to the  
7 Federated States of Micronesia pursuant to United States  
8 statute through categorical, block, consolidated project,  
9 or discretionary grants. It shall also include grants  
10 received from any international or United Nations organiza-  
11 tion. It shall not include funds received from the United  
12 States Department of the Interior derived from its annual  
13 departmental budget, or those funds known as transition funds,  
14 nor indirect costs received for the administration of Federal  
15 programs.

16 (2) Federal program review. Prior to the submittal of  
17 any application, proposal, or preexpenditure report to the  
18 Trust Territory administration or to any United States Federal  
19 agency, the President or his designee shall submit such  
20 application, proposal, or preexpenditure report to the Congress  
21 of the Federated States of Micronesia for its review and  
22 approval by resolution. If Congress is not in session, the

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1 appropriate committee shall review and approve the application,  
2 proposal, or preexpenditure report. The scope of such review  
3 shall be complete, with the ability to approve any aspect of  
4 any application, proposal, or preexpenditure. The approval  
5 of any application, proposal, or preexpenditure report by  
6 the appropriate committee shall not obligate funds from the  
7 National Treasury where they were not otherwise appropriated  
8 pursuant to law. The Congress or the appropriate committee  
9 shall complete its review within 30 days of submission.

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

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1 beginning October 1, 1982.

2 Section 2. Sections 211, 212, 213, 214, 215, 216, 217, 218, 219,  
3 220, 221, 222, 223, 224, and 225, are hereby renumbered to read 212,  
4 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, and  
5 226, respectively.

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

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January 6, 1982

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Tosiwo Nakayama  
Tosiwo Nakayama  
President  
Federated States of Micronesia

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