
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

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


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


Tosiwo Nakayama
President
Federated States of Micronesia