

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, 5-121, 5-136, and 6-22, by adding a new section 223A to permit advance payments of representation expenses and official expense allowances in certain circumstances, by adding a new section 223B to define representation and official expense allowance, by adding a new section 223C to require only documentary evidence and certification of funds availability for purchases of less than \$1,000, and by amending section 218 to permit the use of affidavits as documentary evidence to support obligations for representation and official expense allowances, and for other purposes.

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

1 Section 1. Title 55 of the Code of the Federated States of
2 Micronesia is hereby further amended by adding a new section 223A to
3 read as follows:

4 "Section 223A. Representation expenses and official
5 expense allowances - Advances. Representation expenses and
6 official expense allowance expenses shall be accounted for
7 by affidavit, written contract or written receipt. The
8 Secretary of Finance, upon specific written request
9 containing specific justification satisfactory to the
10 Secretary of Finance, may make advance payments of
11 representation expenses and advance payments of official
12 expense allowances if the recipient of such advance payment
13 agrees to submit affidavits or receipts for actual ex-
14 penditures and return to the Secretary of Finance all amounts
15 advanced but not accounted for by affidavit, contract or receipt
16 no later than 30 days prior to the end of the fiscal year."

17 Section 2. Title 55 of the Code of the Federated States of
18 Micronesia is hereby further amended by adding a new section 223B to
19 read as follows:

20 "Section 223B. Representation and official expense
21 allowance - Definitions.

22 (1) For purposes of this chapter, 'official expense

1 allowance expense' means expenses incurred for goods or
2 services necessary to carry out the official duties of the
3 allottee or sub-allottee.

4 (2) For purposes of this chapter, 'representation
5 expense' means expenses incurred in the course of official
6 public relations, entertainment activities or constituent
7 services necessary to advance the purposes and goals of the
8 National Government."

9 Section 3. Title 55 of the Code of the Federated States of
10 Micronesia is hereby further amended by adding a new section 223C to
11 read as follows:

12 "Section 223C. Purchases of supplies and personal property
13 involving less than \$1,000. For any purchase of supplies
14 and personal property involving less than \$1,000, including
15 the cost of shipping, the Secretary of Finance or his
16 designee shall approve such purchase upon certification of
17 the availability of funds for such purchase and upon
18 satisfaction of the requirements under section 218 of this
19 chapter pertaining to documentary evidence; PROVIDED, however,
20 that the head officer of each branch of the National Govern-
21 ment shall have the authority to prescribe a more restrictive
22 rule which shall be binding upon that branch with the full force
23 and effect of the law. For purposes of this section, the Office
24 of the Public Auditor shall be considered a separate branch of
25 the National Government. For purposes of this section, the

1 agencies, boards, authorities, commissions and corporations
2 of the National Government shall be considered part of the
3 executive branch."

4 Section 4. Section 218 of title 55 of the Code of the Federated
5 States of Micronesia is hereby amended to read as follows:

6 "Section 218. Documentary evidence required to support
7 obligations. No amount shall be recorded as an obligation
8 of the Government of the Federated States of Micronesia
9 unless it is supported by documentary evidence of:

10 (1) a binding agreement in writing, between the
11 parties thereto, including Government agencies, in a
12 manner and form and for a purpose authorized by United
13 States or Federated States of Micronesia law, executed
14 before the expiration of the period of availability
15 for obligation of the appropriation or fund concerned
16 for specific goods to be delivered, real property to
17 be purchased or leased, or work or services to be
18 performed; or

19 (2) a valid loan agreement, showing the amount
20 of the loan to be made and the terms or schedule of
21 repayment thereof; or

22 (3) an order required by United States or
23 Federated States of Micronesia law to be placed with
24 an agency; or

25 (4) an order issued pursuant to United States or

1 Federated States of Micronesia law authorizing purchases
2 without advertising when necessitated by public exigency
3 or for perishable subsistence supplies or within specific
4 monetary limitations; or
5 (5) a grant or subsidy payable:
6 (a) from appropriations made for payment of
7 or contributions toward sums required to be paid in
8 specific amounts fixed by United States or Federated
9 States of Micronesia law, or in accordance with
10 formulae prescribed by United States or Federated
11 States of Micronesia law, or
12 (b) pursuant to an agreement authorized by,
13 or plans approved in accordance with and authorized by
14 United States or Federated States of Micronesia law; or
15 (6) a liability which may result from pending
16 litigation brought under authority of United States or
17 Federated States of Micronesia law; or
18 (7) employment or services of persons or expenses of
19 travel in accordance with United States or Federated States
20 of Micronesia law, or services performed by public
21 utilities; or
22 (8) any other legal liability of the Federated States
23 of Micronesia against an appropriation or funds legally
24 available therefor; or
25 (9) in the case of representation expenses and

1 official expense allowance expenses, an affidavit of the
2 allottee or sub-allottee describing the amount and nature
3 of the expenditure shall be deemed to be sufficient
4 documentary evidence to support a legal obligation."

5 Section 5. This act shall become law upon approval by the
6 President of the Federated States of Micronesia or upon its becoming
7 law without such approval.

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9 _____, 1990

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John R. Haglelgam
President
Federated States of Micronesia

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14 *Becomes law*
15 *w/o signature 3/12/90*

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