

AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 317 thereof to allow funds that were originally designated as capital project funds under section 211 of the Compact of Free Association between the Federated States of Micronesia and the United States and which remain available to be transferred to the current accounts of the National and State governments for unrestricted use, and for other purposes.

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

1           Section 1. Section 317 of title 55 of the Code of the  
2 Federated States of Micronesia is hereby amended to read as  
3 follows:

4           "Section 317. Capital project account close-out and  
5 transition. Recognizing that the FSM has already met  
6 the 40% requirement of section 211 of the Compact with  
7 respect to capital project funds, it shall be possible,  
8 after September 30, 2003, for funds to be transferred  
9 from the capital account to the current account of a  
10 government under certain circumstances, as set forth in  
11 subsections (1) and (2) below.

12           (1) Available Compact capital project funds allotted  
13 to the States or the National Government that lapse or  
14 are de-appropriated pursuant to the laws of the  
15 respective State or National Government shall revert to  
16 the current account of the respective government upon  
17 presentment of the relevant legislation to the Secretary

1 of Finance.

2 (2) The State finance officer will close out Compact  
3 capital project accounts upon project completion and  
4 ensure that no obligation of funds occurs after project  
5 completion. The close-out process will be conducted on  
6 a timely basis. The Secretary of Finance will assist in  
7 the close-out procedure of capital accounts after three  
8 months following project completion, if such close-out  
9 has not been conducted by the State finance officer.  
10 Unused spending authority resulting from project close-  
11 out will revert to the current account of the respective  
12 government and shall be available for reappropriation or  
13 reallocation consistent with subsections 315(1) and  
14 315(2) of this title."

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

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December 8, 2003

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/s/ Joseph J. Urusemal

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Joseph J. Urusemal

President

Federated States of Micronesia