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SUBCHAPTER I

Imprest Revolving Funds

§ 601. Short title.

This subchapter shall be known as the "Imprest Revolving Funds Act of 1982".

Source: PL 2-60 § 1.

Cross-reference: Provisions on funds, such as the General Fund, Foreign Assistance Fund, and Program Fund, are found in chapter 2 (Financial Management) of this title. Provisions on the Student Loan Revolving Fund and the Aid to Nonpublic Schools Fund are found in title 40 (Education) of this code. The Passport Revolving Fund is found at 50 F.S.M.C. 207.

§ 602. Purpose.

The purpose of this subchapter is to establish six ongoing imprest revolving funds to provide, subject to the provisions of section 604 of this subchapter, sources of advanced funding for authorized expenses of the Federated States of Micronesia Mission to the United Nations, New York; the Federated States of Micronesia Embassy, Washington, D.C.; the Federated States of Micronesia Consulate, Honolulu; the Federated States of Micronesia Consulate, Guam; the Federated States of Micronesia Embassy, Tokyo, Japan; and the Federated States of Micronesia Embassy, Suva, Fiji. Such authorized expenses shall include those incurred during official travel by qualified College of Micronesia-FSM employees and officials, by any individual on a National or State Government travel authorization, and medical referral patients and their attendants.

Source: PL 2-60 § 2; PL 3-64 § 1; PL 5-21 § 7; PL 7-123 § 1.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

The website of the FSM National Government contains announcements, press releases, news, forms, and other information on the National Government at <http://fsmgov.org>.

The official website of the Congress of the Federated States of Micronesia contains the public laws enacted by the Congress, sessions, committee hearings, rules, and other Congressional information at <http://www.fsmcongress.fm/>.

§ 603. Establishment.

There is hereby established an ongoing imprest revolving fund within the General Fund for each of the following offices of the National Government of the Federated States of Micronesia:

- (1) Federated States of Micronesia Mission to the United Nations, New York;
- (2) Federated States of Micronesia Embassy, Washington, D.C.;

- (3) Federated States of Micronesia Consulate, Honolulu;
- (4) Federated States of Micronesia Consulate, Guam;
- (5) Federated States of Micronesia Embassy, Tokyo, Japan; and
- (6) Federated States of Micronesia Embassy, Suva, Fiji.

Source: PL 2-60 § 3; PL 3-64 § 2; PL 5-21 § 8; PL 7-123 § 2.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 604. Authorized uses of the funds.

Each fund established pursuant to section 603 of this subchapter may be utilized as a source of advanced funding for the following authorized expenses of the office for which that fund was established:

(1) Each fund established pursuant to section 603 of this subchapter may be utilized as a source of advanced funding for medical expenses of personnel in the office for which that fund was established if and to the extent that health insurance provided for such personnel by or through the National Government of the Federated States of Micronesia may reasonably be expected to cover such expenses. Advanced funds which are subsequently determined not to be covered by such insurance shall be promptly reimbursed by the personnel to or for whom paid.

(2) All of the funds established pursuant to section 603 of this subchapter may be utilized as sources of advanced funding for authorized expenses incurred during travel by:

(a) employees and officials of the College of Micronesia-FSM and any individuals who have been issued a valid National or State Government travel authorization; and

(b) medical referral patients and their attendants who have been issued valid travel authorizations.

(3) The Secretary of Finance of the National Government of the Federated States of Micronesia shall determine "authorized expenses" for the purposes of subsections (1) and (2) of this section through the establishment of policies and procedures.

(4) The funds shall not be utilized for any purpose other than as permitted by this section.

Source: PL 2-60 § 4; PL 3-64 § 3; PL 7-123 § 3.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 605. Disbursements and reimbursements.

Money advanced from the funds shall be reimbursed and deposited back into the respective fund from which the advance was made. Procedures for disbursements from and reimbursements to the funds shall be established by the Secretary of Finance.

Source: PL 2-60 § 5.

§ 606. Policies and procedures.

The funds shall be generally administered, managed, and accounted for in accordance with policies and procedures established by the Secretary of Finance.

Source: PL 2-60 § 6.

§ 607. Authorization.

(1) The sum of \$140,000, or so much thereof as may be necessary, is hereby authorized to be used within the General Fund of the Federated States of Micronesia for the purpose of funding the imprest revolving funds. The sums authorized by this subsection shall be apportioned as follows:

York	(a) Federated States of Micronesia Mission to the United Nations, New	\$40,000
	(b) Federated States of Micronesia Embassy, Washington, D.C.	40,000
	(c) Federated States of Micronesia Consulate, Honolulu	20,000
	(d) Federated States of Micronesia Consulate, Guam	10,000
	(e) Federated States of Micronesia Embassy, Tokyo, Japan	20,000
	(f) Federated States of Micronesia Embassy, Suva, Fiji	10,000

(2) All funds authorized by this subchapter shall be allotted, managed, administered, and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979. The allottee shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purpose specified in this subchapter, and that no obligations are incurred in excess of the sum authorized.

Source: PL 2-60 § 8; PL 3-64 § 5; PL 5-21 § 9; PL 7-123 § 4.

Cross-reference: The Financial Management Act of 1979 is codified at chapter 2 (Financial Management) of this title.

SUBCHAPTER II

Disaster Relief Fund

§ 608. Definitions.

As used in this subchapter:

(1) “Disaster” means any hurricane, typhoon, cyclone, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, drought, fire, explosion, civil disturbance, or other catastrophe in any part of the Federated States of Micronesia which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant disaster assistance under this subchapter, above and beyond emergency services by the National Government, to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

(2) “Emergency” means any hurricane, typhoon, cyclone, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, drought, fire, explosion, civil disturbance, or other catastrophe in any part of the Federated States of Micronesia which requires national emergency assistance to supplement State and local efforts to save lives and protect property, provide for public health and safety, or to avert or lessen the threat of disaster.

Source: PL 2-64 § 2.

Cross-reference: The provisions on Emergency Proclamations are found in chapter 8 of title 11 (Crimes) of this code. The provisions of the "Disaster Relief Assistance Act of 1989" are found in chapter 7 of title 41 (Public Health, Safety and Welfare) of this code. The provision on the Emergency Account is found at section 109 of this title.

§ 609. Establishment.

(1) There is created a Disaster Relief Fund to be used for natural disaster and emergency relief throughout the Federated States of Micronesia.

(2) Moneys for the Disaster Relief Fund shall be derived from appropriations by the Congress of the Federated States of Micronesia and the State legislatures, United States grants, funds designated for such purposes from international organizations and from any and all other appropriate sources.

(3) The Disaster Relief Fund shall be administered in accordance with the provisions of this subchapter.

Source: PL 2-64 § 1.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 610. Request—Declaration.

All requests for a determination by the President that an emergency or disaster exists shall be made by the Governor of the affected State. Such request shall be based upon the Governor's finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that national assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency or disaster, and will define the type and extent of national aid required. As a prerequisite to emergency or disaster assistance under this subchapter, the Governor shall take appropriate

action under State law and direct execution of any State emergency or disaster plan. Based upon such Governor's request, the President may find and declare that a disaster or an emergency exists.

Source: PL 2-64 § 3.

Cross-reference: The provisions of the "Disaster Relief Assistance Act of 1989" are codified at chapter 7 of title 41 (Public Health, Safety and Welfare) of this code. The statutory provision on the Emergency Account is found at section 109 of this title.

The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 611. Use of Disaster Relief Fund.

(1) Upon declaring that a disaster or emergency exists, the President may authorize such expenditure of moneys from the Disaster Relief Fund as in his opinion are necessary to carry out the purposes of this subchapter, providing that they are consistent with the type and extent of aid requested by the Governor of the affected State.

(2) Expenditures from the Disaster Relief Fund may be used for necessary food, clothing, shelter, medical supplies, compensation for crop damage, transportation, debris clearance, reconstruction and repair of seawalls and other damaged property, building materials, and such other matters as the President determines to be necessary and occasioned by the emergency or disaster.

Source: PL 2-64 § 4.

§ 612. Use of local firms and individuals.

In the expenditure of national funds for debris clearance, distribution of supplies, reconstruction, and other emergency or disaster assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable, to those organizations, firms, and individuals residing or doing business primarily in the area affected by such emergency or disaster.

Source: PL 2-64 § 5.

Cross-reference: The provisions of the "Disaster Relief Assistance Act of 1989" are codified at chapter 7 of title 41 (Public Health, Safety and Welfare) of this code. The statutory provision on the Emergency Account is found at section 109 of this title.

SUBCHAPTER III

Maritime Operations Revolving Fund

§ 613. Establishment.

There is created and established the Maritime Operations Revolving Fund, referred to in this subchapter as the "Fund," separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 3-8 § 1.

§ 614. Purpose.

The purpose of the Fund is to establish an ongoing revolving fund to allow appropriations for and revenues from the operation of all National Government vessels under the direct operational control of the Department of Transportation and Communication to be used for the ongoing operation and maintenance of such vessels.

Source: PL 3-8 § 2; PL 7-32 § 1.

Cross-reference: The statutory provisions on Admiralty and Maritime are found in title 19 of this code.

§ 615. Deposits.

All future appropriations for the operation and maintenance of the vessels, as well as revenues received from the operation of these vessels, shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

Source: PL 3-8 § 3.

§ 616. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this code.

Source: PL 3-8 § 4.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. Chapter 1 of title 17 of this code is on FSM Administrative Procedures.

§ 617. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 3-8 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER IV

Supply Stock Revolving Fund

§ 618. Establishment.

There is hereby created and established the Supply Stock Revolving Fund, hereinafter referred to as the "Fund," separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 4-74 § 1.

§ 619. Purpose.

The purpose of the Fund is to permit the Division of Supply to maintain a stock of items commonly purchased by the Government which can then be requisitioned by various Government agencies.

Source: PL 4-74 § 2.

§ 620. Deposits.

All future appropriations for the Fund as well as revenues received from the transfer of goods purchased with money from the Fund shall be deposited in the Fund. Any unexpended monies in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

Source: PL 4-74 § 3.

§ 621. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this code.

Source: PL 4-74 § 4.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The provisions of chapter 1 of title 17 of this code are on FSM Administrative Procedures.

§ 622. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year. Such report shall include an audited income statement, balance sheet and inventory of goods in stock.

Source: PL 4-74 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER V

Bond Repayment Fund

§ 623. Definitions.

As used in this subchapter, these terms shall have the following meanings unless otherwise required by context:

(1) “Borrowing” means a borrowing authorized by and undertaken pursuant to title 58 of this code.

(2) “Resolution” means a resolution relating to the terms of a Borrowing, duly adopted, as may be required or permitted pursuant to title 58 of this code.

Source: PL 5-121 § 33.

Cross-reference: The provisions of title 58 of this code are on Compact Funds Financing.

§ 624. Establishment.

There is hereby created and established the Bond Repayment Fund, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 5-121 § 34.

§ 625. Purpose.

The purpose of the Bond Repayment Fund is to provide for the deposit and disbursement of funds pledged by a State government and/or the National Government which participates in a Borrowing if such funds are not otherwise deposited with the Trustee pursuant to section 522(1) of chapter 5 of title 58 of this code.

Source: PL 5-121 § 35; PL 5-136 § 11.

Cross-reference: Section 522 of chapter 5 (Compact Funds Financing) of title 58 of this code is on the Pledge of Funds.

§ 626. Sub-funds established.

When a Borrowing is contemplated, a new sub-fund within the Bond Repayment Fund may be established by Resolution.

Source: PL 5-121 § 36.

§ 627. Deposits.

All funds pledged by and received, other than those funds deposited with a Trustee pursuant to section 522(1) of chapter 5 of title 58 of this code, from a State government or from the National Government for the purpose of securing its financial obligations related to or resulting from a Borrowing shall be deposited into the sub-fund of the Bond Repayment Fund established in connection with that Borrowing. Any unexpended moneys in a sub-fund of the Bond Repayment Fund shall not revert to the General Fund at the end of the fiscal year.

Source: PL 5-121 § 37; PL 5-136 § 12, modified.

Cross-reference: Section 522 of chapter 5 (Compact Funds Financing) of title 58 of this code is on the Pledge of Funds.

§ 628. Disbursements.

The moneys deposited into a sub-fund of the Bond Repayment Fund established in connection with a Borrowing shall be available for disbursement, pursuant to the terms of the Resolution setting forth the terms of the Borrowing, and of any and all other agreements relating to the Borrowing to which the National Government is a party. All such disbursements shall be without additional appropriation from such sub-fund to satisfy all financial obligations related to or resulting from the Borrowing.

Source: PL 5-121 § 38.

§ 629. Administration.

The Bond Repayment Fund and each sub-fund therein shall be administered by the Secretary of Finance or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this code.

Source: PL 5-121 § 39, modified.

Cross-reference: The provisions of chapter 1 of title 17 of this code are on FSM Administrative Procedures.

SUBCHAPTER VI

Fisheries Observer Revolving Fund

§ 630. Establishment.

There is hereby created and established the Fisheries Observer and Port Sampler Revolving Fund, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 7-76 § 2; PL 16-14 § 1.

§ 631. Purpose.

The purpose of the Fund is to provide an ongoing revolving fund for the receipt and disbursement of funds associated with the fisheries observer and port sampler programs as established by sections 106(1)(b), 106(1)(c), 606(1) and 606(2) of title 24 of this code.

Source: PL 7-76 § 3, modified; PL 16-14 § 2.

Cross-reference: The provisions of title 24 of this code are on Marine Resources.

§ 632. Deposits.

All future appropriations for the Fund as well as revenues received pursuant to the provisions of section 403(2) of title 24 of this code shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year, PROVIDED, however, that any amount in excess of \$200,000 shall be paid into the General Fund.

Source: PL 7-76 § 4, modified; PL 16-14 § 3.

Cross-reference: The provisions of title 24 of this code are on Marine Resources.

§ 633. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia, or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this code.

Source: PL 7-76 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The provisions of chapter 1 of title 17 of this code are on FSM Administrative Procedures.

§ 634. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 7-76 § 6.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER VII

Asian Development Bank Loan Fund

§ 640. Establishment.

There is hereby created and established the Asian Development Bank Loan Fund, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 7-101 § 4.

§ 641. Purpose.

The purpose of the Fund is to provide an ongoing revolving fund for the receipt and disbursement of funds associated with the ADB Loan Agreement of 1992.

Source: PL 7-101 § 5.

§ 642. Deposits.

All revenues received pursuant to the ADB Loan Agreement of 1992, the Subsidiary Loan Agreement by and between the Government of the Federated States of Micronesia and the Micronesian Long Line Fishing Corporation, any appropriation made for purposes of facilitating repayment of the Loan or execution of the project identified in the Loan Agreement, and as well as any and all revenue from any and all other sources associated with the subject matter of the ADB Loan Agreement of 1992, shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

Source: PL 7-101 § 6.

§ 643. Disbursements.

The Secretary of Finance is hereby authorized to make disbursements from moneys available in the Fund, without further authorization or appropriation of the Congress of the Federated States of Micronesia for the purposes of execution of the project identified in the ADB Loan Agreement of 1992, repayment of the proceeds of the Loan, interest on the Loan and any and all other charges or fees associated with the Loan as set forth in the Loan Agreement. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year, PROVIDED, however, that upon final payment and satisfaction of the Loan, all unexpended moneys in this Fund shall revert to the General Fund.

Source: PL 7-101 § 7.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 644. Administration.

The Fund shall be administered by the Secretary of Finance of the Federated States of Micronesia, who shall administer the Fund in accordance with the ADB Loan Agreement of 1992, generally accepted accounting standards and sound financial practices for the effectuation and implementation of the provisions of this subchapter.

Source: PL 7-101 § 8.

§ 645. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 7-101 § 9.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER VIII
Controlled Substance Procurement
Revolving Fund

§ 650. Establishment.

There is hereby created and established the Controlled Substance Procurement Revolving Fund, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 7-81 § 2.

§ 651. Purpose.

The purpose of the Fund is to provide an ongoing revolving fund for the receipt and disbursement of funds associated with the purchase and sale of controlled substances for the health care systems of the Federated States of Micronesia.

Source: PL 7-81 § 3.

Cross-reference: The statutory provisions on Public Health, Safety and Welfare are found in title 41 of this code.

§ 652. Deposits.

All future appropriations for the Fund as well as moneys received from the sale of controlled substances shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year; PROVIDED, however, that any amount in excess of \$15,000 shall be paid into the General Fund.

Source: PL 7-81 § 4.

§ 653. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this code.

Source: PL 7-81 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The provisions of chapter 1 of title 17 of this code are on FSM Administrative Procedures.

§ 654. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 7-81 § 6.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER IX**Aquaculture Revolving Fund****§ 655. Establishment.**

There is hereby created and established the Aquaculture Revolving Fund, referred to in this subchapter as the "Fund", separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 10-152 § 2.

§ 656. Purpose.

The purpose of the Fund is to permit revenues from the operations of the FSM Aquaculture Center, referred to in this subchapter as the "Center", to be used for the expenses of the Center.

Source: PL 10-152 § 3.

§ 657. Deposits.

All future appropriations for the Fund and all revenues derived from the operations of the Center shall be deposited in the Fund. An initial deposit equal to the amount of retained earnings on deposit with the Center on June 1, 1998, is hereby authorized. Any unexpended monies in this Fund shall not revert to the General Fund at the end of the fiscal year.

Source: PL 10-152 § 4.

§ 658. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee in accordance with the provisions of this title and any other applicable laws.

Source: PL 10-152 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code.

§ 659. Annual Report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 10-152 § 6.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER X

ADB Water Loan Fund

Editor's note: This subchapter was renumbered from subchapter IX to subchapter X by section 7 of PL 10-152.

§ 660. Establishment.

There is hereby created and established the ADB Water Loan Fund, separate from the General Fund of the FSM and all other funds.

Source: PL 9-135 § 6.

Editor's note: The other sections of PL 9-135 that are not codified are set forth for reference as follows:

Section 1. **Title.** This act may be referred to as the “ADB Water Project Authorization Act”.

Section 2. **Definitions.** Unless otherwise defined or required by the context, terms used in this act shall have the following meanings:

- (1) “Bank” means the Asian Development Bank.
- (2) “Congress” means the Congress of the FSM.

(3) "FSM" means the Federated States of Micronesia.

(4) "Financing Agreement" means a three-party agreement between the FSM, a State, and utility company within that State in substantially the form heretofore submitted to Congress and labeled "Congress Draft".

(5) "Loan Agreement" means the Loan Agreement (Special Operations) (Water Supply and Sanitation Project) between the FSM and the Bank in substantially the form heretofore submitted to Congress and labeled "Negotiated Draft 14/viii/96".

(6) "President" means the President of the FSM or his designee, or in the absence of the President, the Vice President of the FSM or his designee.

(7) "Project" means the water supply and sanitation project contemplated by the Loan Agreement.

(8) "State" means a state of the FSM.

Section 3. Borrowing Authorization. Congress hereby authorizes the President to execute the Loan Agreement, borrow money from the Bank as provided for therein, and otherwise exercise the rights and perform the obligation of the FSM therein, all in the name of and on behalf of the FSM.

Section 4. Relending Authorization. Congress hereby authorizes the President to execute a Financing Agreement with each of the States, relend money to each State as provided for therein, and otherwise exercise the rights and perform the obligations of the FSM therein, all in the name of and on behalf of the FSM. Said Agreement shall not allow the acceleration or calling in of a State's loan unless that State shall have materially defaulted or such call for acceleration is necessitated by a call or acceleration by the Bank of its loan to the FSM.

...

Section 12. Appropriation of Loan Proceeds. If and to the extent that such an appropriation is necessary, all sums directly or indirectly received as proceeds of the loan contemplated under the Loan Agreement are hereby appropriated to the ADB Water Loan Fund for the purpose of implementing the Project. Such funds may not be obligated until received from or made available by the Bank.

Section 13. Other Appropriation. The sum of \$772,100, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the FSM for the fiscal year ending September 30, 1997, to the ADB Water Loan Fund, to be used to finance the local cost-sharing component (counterpart support) attributable to the FSM National Government under the Loan Agreement and Financing Statements.

Section 14. Repayment Authorization. The sum of up to \$10,600,000 is hereby authorized to be appropriated in future years when and as necessary for repaying the loan from the Bank.

Section 15. All funds appropriated by this act shall be allotted, managed, administered, and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979. The allottee shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purposes specified in this act, and that no obligations are incurred in excess of the sums appropriated. The authority of the allottee to obligate funds appropriated by this act shall not lapse.

This subchapter was renumbered from subchapter IX to subchapter X by section 7 of PL 10-152.

§ 661. Purpose.

The purpose of the Fund is to provide an ongoing revolving fund for the receipt and disbursement of funds associated with the Loan Agreement (Special Operations) (Water Supply and Sanitation Project) between the Federated States of Micronesia and the Asian Development Bank (hereinafter referred to in this subchapter as the "Loan Agreement").

Source: PL 9-135 § 7.

Editor's note: This subchapter was renumbered from subchapter IX to subchapter X by section 7 of PL 10-152.

§ 662. Deposits.

All revenues received pursuant to the Loan Agreement, the Financing Agreements whereby proceeds of the loan are relented to the States, any appropriation heretofore or hereafter made for purpose of facilitating repaying of the loan or execution of the project identified in the Loan Agreement, and any and all revenue from any and all other sources associated with the subject matter of the Loan Agreement, including investment earnings on sums in the Fund, shall be deposited in the Fund.

Source: PL 9-135 § 8.

§ 663. Disbursement.

The Secretary of Finance is hereby authorized to make disbursements from moneys available in the Fund, without further authorization or appropriation of the Congress of the Federated States of Micronesia, for the purpose of execution of the project identified in the Loan Agreement, repayment of the proceeds of the loan, interest on the loan, and any and all other charges or fees associated with the loan as set forth in the Loan Agreement. Unexpended moneys in the Fund shall not revert to the General Fund nor lapse at the end of the fiscal year; PROVIDED, however, that upon final payment and satisfaction of the loan, all unexpended moneys in the Fund shall revert to the General Fund, except that unexpended monies earned by the Fund on the investment of a State or utility's payment into the Fund shall be distributed to the State.

Source: PL 9-135 § 9.

Editor's note: This subchapter was renumbered from subchapter IX to subchapter X by section 7 of PL 10-152.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 664. Administration.

The Fund shall be administered by the Secretary of Finance of the Federated States of Micronesia, who shall administer the Fund in accordance with the Loan Agreement, applicable law, generally accepted accounting standards, and sound financial practices for the effectuation and implementation of the provisions of this subchapter.

Source: PL 9-135 § 10.

§ 665. Annual Report.

The President or his designee shall report to the Congress of the Federated States of Micronesia and to the Governor of each participating State on the status of the Fund at the close of each fiscal year.

Source: PL 9-135 § 11.

Editor's note: This subchapter was renumbered from subchapter IX to subchapter X by section 7 of PL 10-152.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER XI

External Debt Management Fund

Editor's note: PL 12-17 § 9 created this subchapter as subchapter X. However, because PL 9-135 had created the current subchapter X as subchapter IX, and because PL 10-152 had renumbered that subchapter as subchapter X, PL 12-17 created another competing subchapter X. Since PL 12-17 creates new sections with numbers greater than the current subchapter X, a codification decision was made to refer to the subchapter created by PL 12-17 § 9 as subchapter XI.

§ 667. Establishment.

There is hereby created and established an External Debt Management Fund, separate from the General Fund of the FSM and all other funds.

Source: PL 12-17 § 10.

§ 668. Purpose.

The purpose of the Fund is to provide an ongoing fund for the receipt and disbursement of funds associated with the loans from the Asian Development Bank (referred to as the "Bank" in this subchapter) with respect to the Basic Social Services Project, the Public Sector Reform Program, and any other loan from an external lender if the National Government authorizing legislation for that loan provides that the loan is to be repaid out of the Fund, all said loans hereinafter referred to collectively as the "subject loans" and individually as a "subject loan".

Source: PL 12-17 § 11.

§ 669. Accounts within the Fund.

The Fund shall contain the following accounts:

(1) a disbursing account for each of the subject loans (except the Public Sector Reform Program loan, as to which all disbursing of loan proceeds has been completed) to receive and disburse the portion of the proceeds of that loan intended for the use of the National Government;

(2) a master repayment account for use by the National Government of its own share of the subject loans and in consolidating repayments from the State repayment accounts;

(3) a repayment account for each State for use by the National Government on behalf of the State in reserving funds for repayment of the State's share of the subject loans; and

(4) such other accounts as may be deemed appropriate.

Source: PL 12-17 § 12.

§ 670. Deposits.

(1) Funds received pursuant to the loan agreements between the Federated States of Micronesia and the external lender with respect to a subject loan shall be deposited in the appropriate disbursing account.

(2) Funds appropriated by the National Government for execution of the programs and projects of a subject loan shall be deposited in the appropriate disbursing account.

(3) Funds received from a State or from a trust account administered by the National Government on behalf of a State for repayment of the State's portion of a subject loan shall be deposited in the State's repayment account.

(4) Funds appropriated by the National Government for repayment of a subject loan shall be deposited in the master repayment account.

(5) Funds received from any other source associated with the subject loans shall be deposited in the appropriate account.

(6) Investment returns or losses shall remain with the account earning or suffering them.

Source: PL 12-17 § 13.

§ 671. Disbursements.

(1) The Secretary of the Department of Finance and Administration is hereby authorized to make the following disbursements of moneys available in the Fund, without further authorization or appropriation by the Congress of the Federated States of Micronesia, for the following and no other purposes:

(a) execution of the programs and projects of the subject loans to the extent and in the manner called for in the applicable loan agreements or appropriating legislation applicable to the subject loan associated with that disbursing account;

(b) from a disbursing account to the master repayment account with respect to any surplus funds remaining after the programs and projects associated with that disbursement account have been executed;

(c) from the master repayment account for repayment of a subject loan in accordance with its terms;

(d) from a State repayment account for repayment of a subject loan in accordance with its terms;

(e) from a State repayment account to the State as called for by written agreement between the State and the National Government; or

(f) as otherwise required by law.

(2) Unexpended moneys in the Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

Source: PL 12-17 § 14.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 672. Administration.

The Fund shall be administered by the Secretary of the Department of Finance and Administration, who shall administer the fund in accordance with the applicable loan agreements, financing or relending agreements, law, generally accepted accounting standards, and sound financial practices for the effectuation and implementation of the provisions of this subchapter.

Source: PL 12-17 § 15.

§ 673. Annual Report.

The President of the Federated States of Micronesia, or his designee, shall report to the Congress of the Federated States of Micronesia and to the Governor of each participating State on the status of the Fund at the close of each fiscal year.

Source: PL 12-17 § 16.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER XII**Medical Licensing Revolving Fund**

Editor's note: PL 13-54 does not contain a section explicitly adding a new subchapter XI entitled Medical Licensing Revolving Fund; however, PL 13-54 §§ 1 to 5 imply by reference a subchapter XI. This assignment of subchapter numbers, however, conflicts with PL 12-17 §§ 9 to 16, which created sections 667-673 of a subchapter X of chapter 6. PL 12-17 does not address the existing subchapter X of chapter 6, entitled ADB Water Loan Fund, which was added by PL 9-135 §§ 6 to 11 as subchapter IX and renumbered by PL 10-152 § 7 as subchapter X. This subchapter has therefore been redesignated as subchapter XII and new sections 666 to 670 have been renumbered as sections 674 to 678, respectively.

§ 674. Establishment.

There is created and established the “Medical Licensing Revolving Fund”, referred to in this subchapter as the “Fund”, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 13-54 § 1.

§ 675. Purpose.

The purpose of the Fund is to establish an ongoing revolving fund to allow appropriations for and revenues from the operation of the “Medical Licensing Board”.

Source: PL 13-54 § 2.

§ 676. Deposits.

All future appropriations for the operation of the “Medical Licensing Board”, shall be deposited in the Fund. Any unexpended moneys in this Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

Source: PL 13-54 § 3.

§ 677. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee, who shall establish regulations and procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter, pursuant to chapter 1 of title 17 of this Code.

Source: PL 13-54 § 4.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. Chapter 1 of title 17 of this code is on Administrative Procedure.

§ 678. Annual report.

The President or his designee shall report to the Congress of the Federated States of Micronesia on the status of the Fund at the close of each fiscal year.

Source: PL 13-54 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER XIII

Maritime Surveillance Revolving Fund

Editor’s note: PL 16-66, which was signed into law on February 14, 2011, by Vice President Alik L. Alik, in his capacity as Acting President, creates a subchapter XII. This, however, conflicts with PL 13-54, which impliedly created a subchapter XI, but which in turn conflicted with PL 12-17 §§ 9 to 16, which created sections 667 to 673 of a subchapter X of chapter 6. PL 12 to 17, in its turn, does not address the existing subchapter X of chapter 6, entitled ADB Water Loan Fund, which was added by PL 9-135 §§ 6 to 11 as subchapter IX and renumbered by PL 10-152 § 7 as subchapter X. To address this

series of misnumbering of subchapters and sections, this subchapter is redesignated as subchapter XIII, and new sections 671 to 674 as sections 679 to 682, respectively.

§ 679. [§ 671.] Establishment.

There is hereby created and established a Maritime Surveillance Revolving Fund, separate from the General Fund of the Federated States of Micronesia and all other funds.

Source: PL 16-66 § 2.

§ 680. [§ 672.] Purpose.

The purpose of the Fund is to provide reliable funding for fuel, oil, provisions, and spare parts for the patrol and surveillance boats of the National Government of the Federated States of Micronesia. The Fund shall not be used for salaries or overtime.

Source: PL 16-66 § 3; PL 17-79 § 1.

§ 681. [§ 673.] Deposits.

All future appropriations for the Fund, as well as revenues received pursuant to the provisions of sections 901 and 902 of title 24 on and after October 1, 2011, shall be deposited in the Fund. Any unexpended moneys in this Fund shall neither revert to the General Fund nor lapse at the end of the fiscal year; PROVIDED, HOWEVER, that any amount in excess of \$500,000 shall be paid into the General Fund.

Source: PL 16-66 § 4; PL 16-74 § 1.

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Cross-reference: Title 24 of this code is on Marine Resources.

§ 682. [§ 674.] Administration.

The fund shall be administered by the President of the Federated States of Micronesia, or his designee, who shall establish procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter.

Source: PL 16-66 § 5.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code.

SUBCHAPTER XIV

External Debt Management Fund

Editor's note: PL 14-46 § 7 enacted a new subchapter XVI of this chapter entitled External Debt Management Fund. This subchapter has been renumbered XIV so that the sections §§ 8 to 14, which add sections 1601 to 1607 can be placed in this chapter retaining its section numbers.

PL 14-46 was signed into law by President Joseph J. Urusemal on November 28, 2005.

§ 1601. Establishment.

There is hereby created and established an External Debt Management Fund, separate from the General Fund of the FSM and all other funds.

Source: PL 14-46 § 8.

§ 1602. Purpose.

The purpose of the Fund is to provide an ongoing fund for the receipt and disbursement of funds associated with the loans from the Asian Development Bank (referred to herein as the "Bank") with respect to the Omnibus Infrastructure Development Project (referred to herein as the "Project"), and any other loan from an external lender if National Government authorizing legislation for that loan provides that the loan is to be repaid out of the Fund. All said loans are hereinafter referred to collectively as the "subject loans" and individually as a "subject loan".

Source: PL 14-46 § 9.

§ 1603. Accounts within the Fund.

The Fund shall contain the following accounts:

- (1) a disbursing account for each of the subject loans to receive and lend the portion of the proceeds of that loan intended for the use by the Four State Governments;
- (2) a master repayment account for use by the National Government in consolidating repayments from the State repayment accounts;
- (3) a repayment account for each State for use by the National Government on behalf of the State reserving funds for repayment of the State's share of the subject loans; and
- (4) such other accounts as may be deemed appropriate.

Source: PL 14-46 § 10.

§ 1604. Deposits.

(1) Funds received pursuant to the loan agreements between the Federated States of Micronesia and the external lender with respect to a subject loan shall be deposited in the appropriate disbursing account.

(2) Funds appropriated by the National Government if any, for execution of the project of the subject loans shall be deposited in the appropriate disbursing account.

(3) Funds received from a State or from a trust account administered by the National Government on behalf of a State for repayment of the State's portion of the subject loans shall be deposited in the State's repayment account.

(4) Funds appropriated by the National Government, if any, for repayment of the subject loans shall be deposited in the master repayment account.

(5) Funds received from any other source associated with the subject loans shall be deposited in the appropriate account.

(6) Investment returns or losses and associated fees, costs and changes shall remain with the account earning or suffering them.

Source: PL 14-46 § 11.

§ 1605. Disbursements.

(1) The Secretary of the Department of Finance and Administration is hereby authorized to make the following disbursements of moneys available in the Fund, without further authorization or appropriation by the Congress of the Federated States of Micronesia, for the following and no other purposes:

(a) execution of the programs and projects of the subject loans to the extent and in the manner called for in the applicable loan agreements or appropriating legislation applicable to the subject loans associated with that disbursing account;

(b) from a disbursing account to the master repayment account with respect to any surplus funds remaining after the programs and projects associated with that disbursement account have been executed;

(c) from the master repayment account for repayment of the subject loans in accordance with their terms;

(d) from a State repayment account for repayment of the subject loans in accordance with their terms;

(e) from a State repayment account to the State as called for by written agreement between the State and the National Government; or

(f) as otherwise required by law.

(2) Unexpended moneys in the Fund shall not revert to the General Fund nor lapse at the end of the fiscal year.

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Source: PL 14-46 § 12.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 1606. Administration.

The Fund shall be administered by the Secretary of the Department of Finance and Administration, who shall administer the fund in accordance with the applicable loan agreements, financing or relending agreements, law, generally accepted accounting standards, and sound financial practices for the effectuation and implementation of the provisions of this subchapter.

Source: PL 14-46 § 13.

§ 1607. Annual Report.

The President of the Federated States of Micronesia, or his designee, shall report to the Congress of the Federated States of Micronesia and to the Governor of each participating State on the status of the Fund at the close of each fiscal year.

Source: PL 14-46 § 14.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

SUBCHAPTER XV

Immigration, Customs and Quarantine

Overtime Revolving Fund

Editor's note: PL 16-56 § 1 enacted a new subchapter XVII of this chapter entitled Immigration, Customs and Quarantine Overtime Revolving Fund.

Vice President Alik L. Alik signed PL 16-56 into law in his capacity as Acting President on December 17, 2010.

§ 1608. Establishment of Immigration, Customs and Quarantine Overtime Revolving Fund.

There is hereby established an Immigration, Customs and Quarantine Revolving Fund, referred to in this subchapter as the "Fund", separate from the General Fund of the Federated States of Micronesia and all other funds, and consisting of sub-accounts for each of the following divisions of the National Government of the Federated States of Micronesia:

- (1) the Division of Customs of the Department of Finance;
- (2) the Division of Immigration and Labor of the Department of Justice; and
- (3) the Agriculture Unit of the Department of Resources and Development.

Source: PL 16-56 § 2.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code.

§ 1609. Purpose.

The purpose of the Fund is to provide reliable funding for overtime incurred by the Division of Customs of the Department of Finance, the Division of Immigration and Labor of the Department of Justice, and the Agriculture Unit of the Department of Resources and Development.

Source: PL 16-56 § 3.

§ 1610. Deposits.

All future appropriations for the Fund as well as payments received pursuant to title 50, section 115 and any other payments received to defray actual costs to the National Government for overtime accrued by officials of the Division of Customs of the Department of Finance, the Division of Immigration and Labor of the Department of Justice, and the Agriculture Unit of the Department of Resources and Development shall be deposited in the appropriate sub-fund. Any unexpended monies in this Fund shall neither revert to the General Fund nor lapse at the end of the fiscal year; PROVIDED, HOWEVER, that any amount in a sub-fund in excess of \$500,000 shall be paid into the General Fund.

Source: PL 16-56 § 4.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

§ 1611. Authorized uses of the funds.

Each sub-fund established pursuant to section 1608 of this subchapter may be utilized as a source of funding for authorized overtime by the division of the National Government for which that sub-fund was established. The funds shall not be utilized for any purpose other than as permitted by this section.

Source: PL 16-56 § 5.

§ 1612. Administration.

The Fund and each sub-fund therein shall be administered by the President of the Federated States of Micronesia, or his designee, who shall establish procedures necessary and appropriate for the effectuation and implementation of the provisions of this subchapter.

Source: PL 16-56 § 6.

Cross-reference: The statutory provisions on the President and the Executive are found in title 2 of this code.

