

THIRD CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 1983

CONGRESSIONAL BILL NO. 3-118

## AN ACT

To amend title 21 of the Code of the Federated States of Micronesia by adding a new section 206 establishing the Telecommunications Revolving Fund, and by amending section 226 relating to the accounting procedures of the Telecommunications Corporation, and for other purposes.

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

1 Section 1. Title 21 of the Code of the Federated States of  
2 Micronesia is hereby amended by adding a new section 206 to read as  
3 follows:

4 "Section 206. Telecommunications Revolving Fund.

5 (1) There is hereby created and established the  
6 Telecommunications Revolving Fund, hereinafter referred  
7 to as the 'Fund,' separate from the General Fund of the  
8 Federated States of Micronesia and all other funds.

9 (2) The purpose of the Fund is to establish an  
10 ongoing revolving fund to allow appropriations for and  
11 revenues from the operations of the Corporation to be used  
12 for the operations of the Corporation and for capital  
13 investment or acquisition by the Corporation.

14 (3) All future appropriations for the operations of  
15 the Corporation, as well as revenues received from the  
16 operations of the Corporation and any other monies raised  
17 or received by the Corporation, shall be deposited in the  
18 Fund. Any unexpended monies in this Fund shall not revert  
19 to the General Fund nor lapse at the end of the fiscal year.

20 (4) The Fund shall be administered by the Board of  
21 Directors of the Corporation."

22 Section 2. Section 226 of title 21 of the Code of the Federated

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1 States of Micronesia is hereby amended to read as follows:

2 "Section 226. Accounts and records.

3 (1) The Board and the chief executive officer shall  
4 be jointly responsible to ensure that the budget and finance  
5 officer prepares proper and complete books of account  
6 reflecting all income, expenses, assets, liabilities, capital,  
7 and retained earnings of the Corporation. Accounting for the  
8 Corporation shall be on the accrual basis so as to enable  
9 periodic determination of profit and loss from operations and  
10 the full cost of providing services. Expenses shall include  
11 depreciation on fixed assets and amortization of long term  
12 debt.

13 (2) The Board, not later than ninety days after the  
14 close of each governmental fiscal year, shall submit to the  
15 President, the Congress, and the Governor and legislature of  
16 each State a complete report, including financial statements,  
17 showing the activities of the Corporation during the fiscal  
18 year, the present condition of the Corporation, and such  
19 other matters as the Board shall deem appropriate. The  
20 financial statements shall include at least a balance sheet,  
21 operating statements, statement of changes in financial  
22 position, and analysis of changes in retained earnings.

23 (3) The Public Auditor shall audit the financial state-  
24 ments and books of account of the Corporation no less  
25 frequently than annually."

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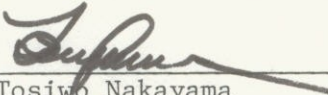
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1 Section 3. Sections 206, 207, 208, 209, 210, 211, 212, 213,  
2 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226,  
3 227, 228, and 229 are hereby renumbered as sections 207, 208, 209,  
4 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222,  
5 223, 224, 225, 226, 227, 228, 229, and 230, respectively.

6 Section 4. This act shall become law upon approval by the  
7 President of the Federated States of Micronesia or upon its  
8 becoming law without such approval.

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December 19, 1983

  
Tosiwo Nakayama  
President  
Federated States of Micronesia