



POHNPEI STATE GOVERNMENT

Department of Treasury and Administration

P.O. Box 1567

Kolonia, Pohnpei FM 96941

Tel: (691) 320-2243/2323, Fax: (691) 320-5505

Email: pnidota@mail.fm

NOTICE TO THE PUBLIC

PROPOSED AMENDMENT TO THE POHNPEI STATE FINANCIAL MANAGEMENT REGULATIONS PURSUANT TO 11 PC 2-114¹

FOR COMMENT

The Department of Treasury and Administration has approved the publication for comment of the following proposed amendments

COMMENT PERIOD:

Comments on the proposed amendment are being sought by the Department of Treasury and Administration for a thirty (30) day period, commencing at the posting of this Notice to the Public. Any comments should be submitted in writing during this period to:


Sihna N. Lawrence

Director

Department of Treasury and Administration

Pohnpei State Government

Kolonia, Pohnpei 96941 FM

PROPOSED AMENDMENT TO THE POHNPEI STATE FINANCIAL MANAGEMENT REGULATIONS IN SECTION 1.4.35 OBLIGATION, 6.1.5 AUTHORIZED TRAVEL EXPENSES, 7.1 PROCUREMENT, AND 7.2.2 PURCHASE REQUISITION/PURCHASE ORDER .

¹ **11 PC 2-114. Rules and regulations.** The Director is hereby authorized to issue and promulgate rules and regulations implementing this chapter which, upon public notice and hearing as required by law and upon review and approval of the Governor, shall have the force and effect of law. All rules and regulations heretofore adopted by and for the Department pursuant to the authority granted by prior laws (including those laws that are repealed by this chapter) shall continue in full force and effect until amended, repealed or superseded hereafter.

1.4.35 OBLIGATIONS

The legal liability for salaries and wages, contractual services, contracts entered into for the purchase of supplies, equipment, construction, or land and loan, job orders for small contracts and Travel authorizations to authorize travel to incur expenses for the government and/ or other commitments, including but not limited to leases, requiring the payment of public funds.

Obligations or encumbrances are orders placed for property and services. Contracts made and similar transactions during a given period that require payment by the Pohnpei State Government during the same or a future period. A purchase order is a typical obligation or encumbrance.

6.1.5 AUTHORIZED TRAVEL EXPENSES

4b) Mode of Air Transportation

With respect to air travel, the mode of transportation as reflected on the TA shall be as follows:

i) If the travel is the Governor, Lt Governor, Speaker, Vice Speaker or Chief Justice of the Supreme Court, by business class when travel outside Micronesian region.

7.1 PROCUREMENT - GENERAL

Supplies of goods and services- repairs and maintenance

3) Purchase of Repairs and Maintenance Services are purchases for the provision of repairs or maintenance services, including related goods, parts or fitting installed in the course of the repairs or maintenance, of-

- a) Real Property (see Section 1.4.35) and its appurtenances, and
- b) Personal property, including fixed assets,
- c)

and may be one of these types, by value-

- a) Small Repairs and Maintenance Purchases are such purchases with a value that is less than ~~\$100~~ \$5,000;
- b) Standard Repairs and Maintenance Purchases are such purchases with a value that is greater than ~~\$100~~ \$5,000 but less than \$20,000; and
- c) High value Repairs and Maintenance Purchases are such purchases with a value that is greater than \$20,000.

Supplies of goods and services- construction

4) Construction Projects are for the provision of construction services and materials in relation to the development of real property and its appurtenances (see 1.4.35), and may be one of these types-

- a) Small Construction Projects are such projects with a value that is less than ~~\$1,000~~ \$5,000; and
- b) Standard Construction Projects are such projects with a value that is greater than ~~\$1,000~~ \$5,000 but is less than \$10,000;
- c) High Value Construction contracts are such contracts with a value that is greater than \$10,000.

7.2.2 PURCHASE REQUISITION/PURCHASE ORDER

1) A Purchase Requisition prepare by the Pohnpei State Government Agency for the procurement on a form prescribed by the Director that provides, at a minimum the following information:

- a) The name of the Pohnpei State Government Agency or procuring the personal property or supplies;
- b) The date the Purchase Requisition was completed;
- c) The description (including detailed specifications of the product) and quantity of items needed; and
- d) Copies of the required proforma or quotation needed i.e. 1 quotation for purchases less than \$1,000 and three quotations for purchases \$1,000 or more. No quotation will be accepted if zero indicating no stock.

7.5 NON COMPLIANCE WITH PROCUREMENT REQUIREMENTS

1) No work shall be performed or goods obtained or purchases made prior to obtaining all signatures required by these Regulations, and anyone providing goods or services in advance of the receipt of property signed documentation does so at his/her own peril and will have no claim thereof against any Pohnpei State Governmet Agency and/or any officer, employee, agent or contractor of any Pohnpei State Governmet Agency, and the Director shall not be obligated to disburse funds for such goods or services. The requirements in this paragraph are to be included in each contract in order to provide transparency and due warning to contractors.

2) Subpart 7.5 shall not apply to the purchase of goods or services that are available only from a single source, including utilities such as electricity and telephone services and including such goods as postage stamps and subscriptions to periodicals.

3) Subpart 7.5 (1) shall not apply to agreements that are properly ratified in accordance with subpart 7.5(3). An Allottee may ratify an agreement pursuant to which a vendor has satisfactorily completed

delivery of goods or performance of services but for which one or more signatures were not obtained as required by these regulations.

4) For ratification to have full legal effect and for the Director to disburse funds, the Allottee must submit to the Director a document that:

- a) Expressly states that ratification is intended and explains why the signatures were not obtained in a timely manner;
- b) Attaches the agreement (including a reduction to writing signed by the parties in the case of an oral or implied agreement);
- c) Contains a certification that funds were available on the date of the agreement and are available from current year appropriations;
- d) Contains a determination, that except for such signature(s), the agreement was legally sufficient when made and is still legally sufficient;
- e) Contains all other determinations and signatures that were required and that are still required;
- f) States that such an agreement was not subject to the Public Contract Acts; and
- g) Is signed by the Allottee.

h) Ratification meant to ratify any non-compliance expenses amount to \$1,000 or more. To ratify such expense and shall attach to the following valid documents

1) Purchase Order

2) Contracts

3) Job Order

4) Travel Voucher Claims

5) Subpart 7.5(1) shall not apply to the purchase of goods or services costing less than \$1,000 if all signatures except the provider's have been obtained and the Director finds that, because of the nature of the goods or services or location of the providers it would be impractical to obtain the provider's signature before the delivery of goods or performance of services.

6) Subpart 7.5 (1) shall not apply to any agreement for which the Director determines that the Allottee has satisfactorily documented that there was an emergency preventing the obtaining of the necessary signatures in a timely manner.

These regulations shall take effect upon their approval by the Governor and adoption thereof by the Director of the Department of Treasury and Administration.

Approved by: for: Stevenson A. Joseph
Stevenson A. Joseph
Governor

Date: 6/4/25

Adopted by: Sihna N. Lawrence
Sihna N. Lawrence
Director, Depart. Of Treasury & Administration

Date: 6/4/25

Approved as to Form: for: Belsipa Mikel-Isom
Belsipa Mikel-Isom
Attorney General

Date: 6/4/25