



Governor's Mess.  
No. 13-83  
COW

**GOVERNMENT OF KOSRAE**  
**Office of the Governor**  
**Kosrae State**  
**Post Office Box 158**  
**Tofol, Kosrae FM 96944**  
**Telephone (691) 370-3002/3003/3009**

August 22, 2023

The Honorable Semeon J. Phillip  
Speaker  
13<sup>th</sup> Kosrae State Legislature  
Tofol, Kosrae FM 96944

Dear Speaker Phillip,

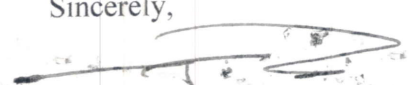
It gives me great pleasure to extend my compliments and warm greetings to you and the members of the 13<sup>th</sup> Kosrae State Legislature. I am pleased to transmit herewith a draft resolution for your favorable consideration and action.

Kosrae State Government overdraft facility of \$200,000 with the Bank of the Federated States of Micronesia will expire on September 19, 2023 and we want to extend this service for another term or until such time we are able to operate without it.


You will note from the enclosed that we originally responded to the bank's request early this month pursuant to the bank's advice. The bank informed us this morning, however, that they need a new authorization from the sitting legislature, hence this transmittal. Accordingly, it is my request that the legislature gives its approval by way of a resolution for our continued access to this facility.

Should you and members need additional information, please do let us know. Thank you in advance for your continued support and cooperation.

Sincerely,

  
Tulensa W. Palik  
Governor

CC: Lt. Governor  
Chief Justice  
Department/Agency Heads

**RECEIVED**  
AUG 24 2023  
BY:   
@ 2:00 pm

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**A RESOLUTION**

Approving the Director of Finance and Administration to seek extension and use of an overdraft protection facility with the Bank of the FSM, or with other banks as is seen appropriate for purpose of the Government's payroll.

1           **WHEREAS**, stagnant economic development has continued to plague the State for  
2 which its fiscal position vis-à-vis its cash flow has been and is continued to be adversely  
3 affected; and

4           **WHEREAS**, the state government has had an overdraft protection facility line of  
5 \$200,000 with the Bank of the FSM which has been utilized to prevent returned/bounced checks  
6 against its accounts with said bank; and

7           **WHEREAS**, the term of this protection facility will expire on September 19, 2023 and it  
8 is in the interest of the state government to maintain this protection facility beyond September  
9 2023; and now and therefore,

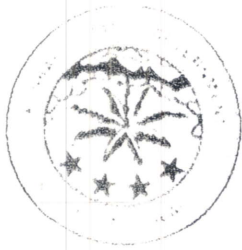
10           **BE IT RESOLVED BY THE 13<sup>TH</sup> KOSRAE STATE LEGISLATURE**, that the  
11 Director of Administration and Finance is hereby authorized to seek extension of the overdraft  
12 protection facility with the Bank of the FSM, or other banking institutions, and to execute  
13 pertinent documents to extend or establish said facility in the name of the State. This  
14 authorization allows a maximum facility of \$200,000 per annum; and

15           **BE IT FURTHER RESOLVED**, that certified copies of this resolution shall be  
16 transmitted to the Honorable Tulensa W. Palik, Governor of the State of Kosrae, Director Lipar  
17 L. George of the Department of Administration and Finance; Mr. Kun J. Sigrah, Manager of the  
18 Bank of the FSM-Kosrae Branch.

19 Date: \_\_\_\_\_

Introduced by: \_\_\_\_\_

By Request



**GOVERNMENT OF KOSRAE**  
**Office of the Governor**  
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**Post Office Box 158**  
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**Telephone (691) 370-3002/3003/3009**

August 02, 2023

Ms. Lynn Samuel  
Assistant Branch Manager Sales & Services  
Bank of the Federated States of Micronesia  
Kosrae State, FM 96944

**RE: EXPIRATION OF OVERDRAFT PROTECTION FACILITY**


Dear Ms. Samuel,

I have received your letter of July 28, 2023 on the subject above which I again must thank you and the Bank for. The Facilities you approved in the past years were most needed and I certainly continue to hope we did not violate any commitments and obligations upon us to properly maintain them.

I write once again to request the Bank to consider a further extension of this facility as we are still having difficulties with cash flows. In support of this new request I attach to this cover, our Legislative Resolution No. 12-188 allowing us to seek assistances of this nature to aid in our Government operations. Kindly advise me directly or thru my Director of Finance of any additional need you may have in your consideration of this request.

Thank you again for all your help to my people.

Sincerely,

  
Tulensa W. Palik  
Governor, Kosrae State

Xc: Director, DOFA

**"TUKENI OREKMA IN AKWOYE MWET LASR A AN SESR KOSRAE"**  
**"WORKING TOGETHER FOR THE WELLBEING OF OUR PEOPLE AND KOSRAE"**

WEM

A RESOLUTION

Approving the Director of Finance and Administration to seek extension and use of an overdraft protection facility with the Bank of FSM, or with other banks as is seen appropriate for purpose of the Government's payrolls.

1           WHEREAS, development in the State of Kosrae has been adversely affected because of the  
2 lack of a potable water system; and the Government has had an overdraft protection line for  
3 \$200,000 with the Bank of FSM which was used to prevent returned/bounced checks against our  
4 accounts with them for this past year; and,

5           WHEREAS, this protection will end on August 31, 2020; and

6           WHEREAS, it is most essential and appropriate to use a service such as this especially  
7 since almost all cash we use never advanced causing account overdrafts; and,

8           WHEREAS, this Resolution is a necessary legal to allow this facility to be negotiated; and  
9 now therefore

10           BE IT RESOLVED BY THE 12<sup>th</sup> LEGISLATURE, that the Director of Finance and  
11 Administration is authorized to seek this assistance from the Bank of FSM, or an appropriate  
12 Bank, and execute all pertinent documents to establish this facility in the name of the State. This  
13 authorization allows a maximum facility of \$200,000 only per annum; and,  
14  
15

TWELFTH KOSRAE STATE LEGISLATURE

FOURTH REGULAR SESSION, AUGUST 2020

L.R. No. 12-188

1 BE IT FURTHER RESOLVED, that certified copies of this resolution shall be transmitted  
2 to the Honorable Carson K. Sigrah, Governor of the State of Kosrae, Director Rensley A. Sigrah,  
3 of the Department of Finance and Administration; Mr. Kun J. Sigrah, Manager of Bank of FSM-  
4 Kosrae Branch.

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6  
7  
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Date: 8/18/20

Introduced by: J. Wesley  
(by Request)



**Bank of the Federated States of Micronesia**

July 28, 2023

2126 Carol

T.H. Governor Tulensa Palik  
Kosrae State Government  
P.O. Box 549  
Tofol, Kosrae FM 96944

**Re.: Business Checking Overdraft Protection Account**

Dear Honorable Governor Palik,

I refer to the \$200,000.00 Overdraft Protection facility for Pwith Bank of the FSM, which will expire September 19, 2023. In order for us to proceed with the renewal of the aforementioned facility, we need your assistance with furnishing the following document(s) to the Bank.

1. Letter of Intention to renew facility with same terms and condition.
2. Copy of existing Kosrae State Laws to support the current request.

Please furnish the above documents by 8/15/2023 to allow ample time to process your request.

Thank you for banking with the Bank of the Federated State of Micronesia. If you have any questions, please do not hesitate to contact me at 370-3225 or you can email at [lsamuel@bofsm.fm](mailto:lsamuel@bofsm.fm). Alternatively, you may contact our FSM Commercial Loan Officer, Adino P. Ehmes at 320-2724 or email [ahmes@bofsm.fm](mailto:ahmes@bofsm.fm).

Sincerely,

Lynn Samuel  
Asst. Branch Manager Sales & Services

CC: Credit File

Rec'd 7/28/23