

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET
SAIPAN DISTRICT, TRUST TERRITORY OF THE PACIFIC ISLANDS

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SAIPAN TRUST FUND

SAIPAN DISTRICT, TRUST TERRITORY OF THE PACIFIC ISLANDS

The following instructions provide guidance and direction for the management of the Saipan Trust Fund, Saipan District, Trust Territory of the Pacific Islands, created by the Commander in Chief, United States Pacific Fleet, pursuant to the authority delegated by the Secretary of the Navy as set forth in SECNAV message 242140Z of November 1952. These instructions supersede the instructions dated 1 October 1957.

ARTICLE I. Establishment of the Saipan Trust Fund. There is hereby established a Saipan Trust Fund (hereinafter called the "Trust Fund"). The Trust Fund shall be made up of monies received by the Government of the Trust Territory of the Pacific Islands, Saipan District, in compensation for land use and occupancy agreements from the United States Government, interest on invested capital, and such other revenue as may properly accrue to the Trust Fund. The total of these receipts, less any expenditures made as hereinafter provided, shall be the Fund Principal.

ARTICLE II. Trustee, Advisory Board, and Treasurer. The Commander in Chief, United States Pacific Fleet, shall be the Trustee for the Saipan Trust Fund (hereinafter called the "Trustee"). The Trustee is authorized and empowered to receive the money herein designated as Fund Principal and to hold the same in trust for the benefit of the indigenous inhabitants of the Saipan District, Trust Territory of the Pacific Islands. The Trustee shall place the management of the trust in a board of three members who shall be known as the Advisory Board. These three members shall be the Fiscal and Supply Officer, the Legal Officer, and the Naval Government Officer on the staff of the Commander in Chief, United States Pacific Fleet. The Fiscal and Supply Officer shall be the Treasurer of the Trust Fund. The Advisory Board, under the supervision of the Trustee and acting on his behalf, shall receive, deposit, control, protect, and invest the funds in conformity with the provisions of these instructions.

ARTICLE III. Management and Investment. The Fund Principal shall be managed and invested as provided in this article.

a. All funds now held or hereafter received into the Trust Fund will be held or used for the benefit of the indigenous inhabitants of the Saipan District, Trust Territory of the Pacific Islands.

b. All funds so held by the Trustee shall be kept on deposit with a National Bank or a State Bank of any State of the United States which is a member of the Federal Deposit Insurance Corporation and is designated as a depository of public money pursuant to Section 90 of Title 12, United States Code. The funds so deposited shall be either (1) kept in a general account entitled "Saipan Trust Fund," (2) kept in such special-purpose accounts entitled "Saipan Trust Fund--(designation of purpose)" as may have been or

may hereafter be established to facilitate financing and accounting in connection with expenditure programs duly authorized by the Trustee, or (3) invested by the Bank, as agent for the Trustee, in United States Government Securities or in Certificates of Deposit secured by United States Government Bonds. The special-purpose accounts contemplated in category (2) of the preceding sentence may include such accounts established in a bank, qualified as specified in this paragraph, by a delegee of the Trustee duly authorized in writing as administrator of a portion of the Trust Fund allotted by the Trustee for use in connection with a duly authorized expenditure program. All funds hereafter received shall be initially deposited in the general account.

c. All checks or other withdrawals from the general account will be countersigned by both the Trustee and the Treasurer. Withdrawals from special-purpose accounts held by an administrator under an allotment from the Trustee will be countersigned by the administrator and by one other person as specified by the Trustee when making the allotment. Withdrawals from all other special-purpose accounts will be countersigned by any two of the following: Trustee, Treasurer, and Naval Government Officer. The special-purpose accounts are designed to avoid the need for the Trustee to approve a large number of individual expenditures after he has authorized an expenditure program.

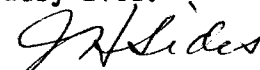
d. A permanent record of all receipts, deposits, expenditures, and other transactions affecting the fund will be maintained in such a manner as to conform to generally accepted accounting procedures. Monthly financial statements will be submitted to the Trustee by the Treasurer. These statements will show all receipts and expenditures, including those for all special-purpose accounts, and will show the net worth of the Trust Fund.

e. The Trust Fund will be audited at least once each year, and upon detachment of either the Trustee or the Treasurer. Such general audits will be made by the Fleet Supply Officer on the staff of the Commander in Chief, United States Pacific Fleet. Special-purpose accounts held by an administrator under an allotment from the Trustee will be audited quarterly, and upon change of administrator, by a person specified by the Trustee when making the allotment.

f. All expenditure programs will be authorized in writing by the Trustee. After approval of a program, funds will be made available in a manner suitable for the particular program being funded. When it is considered appropriate to prescribe accounting procedures other than those described herein, detailed instructions will be promulgated concurrently with the release or allotment of funds.

ARTICLE IV. Distribution of Principal on Termination. Upon termination of the responsibility of the Commander in Chief, United States Pacific Fleet, with respect to the administration of civil government in the Saipan District, Trust Territory of the Pacific Islands, any Fund Principal then remaining shall be transferred to the lawful authority succeeding the Commander in Chief, United States Pacific Fleet, for custody and use for the benefit of the indigenous inhabitants of the Saipan District, Trust Territory of the Pacific Islands.

Witness my hand this 21st day of February 1961.



J. H. SIDES
Admiral, U. S. Navy
Commander in Chief
United States Pacific Fleet