

Commonwealth of the Northern Mariana Islands (CNMI)

Department of Finance

**FUND CERTIFICATION
PROCEDURES
(FINANCIAL SERVICES)**



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SECTION 1: PURPOSE

This document outlines the procedures for processing contracts, ensuring that funds are verified and available before contract approval, and establishing clear documentation practices to track and manage contracts efficiently.

Section 1.1. Background

Fund certification is the process of making sure there is enough money set aside in the budget before spending it. This step is important because it helps prevent overspending and ensures that the agency follows financial rules and laws.

Prior to initiating any purchase, engaging the services of an individual or entity, or entering into a contract, staff must first ensure that the necessary funds are available and have received the appropriate approval. This measure safeguards the agency from making financial commitments beyond its means and supports the responsible management of public resources.

Section 1.2 Applicable Statutes

[Subchapter 70-20.1 Regulations for the control of Public Funds](#)

Section 1.3 Definition and Acronym

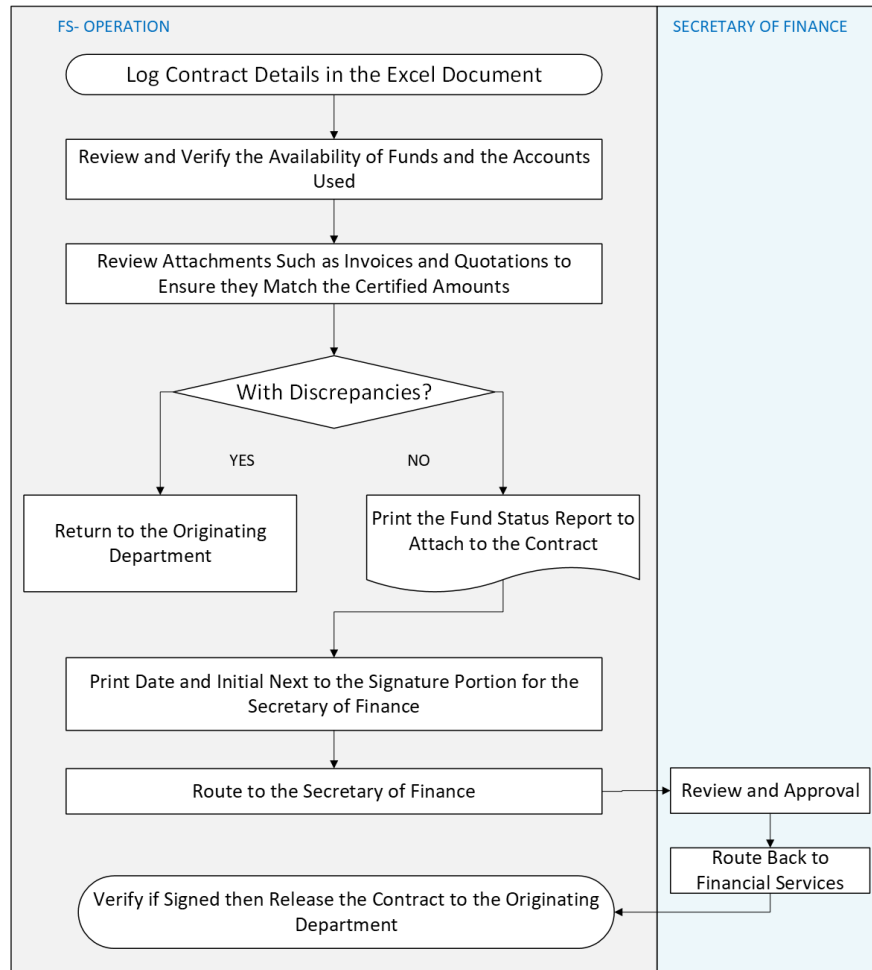
- Vendor Contracts: A legal agreement between a business and the CNMI Government (Used in the Executive Branch).
- Independent Contract: A contract agreement between a freelancer or self-employed individual (Used in the Legislative Branch).
- NOPA (Notification of Personnel Action): A document that shows a hiring decision, salary change, or other action affecting an employee's pay.

Section 1.4 Effective Date

The Fund Certification Procedures will be effective in Fiscal Year 2026 beginning October 1, 2025 and the following certification activities will be enforced.

Section 1.5 Flowchart

FUND CERTIFICATION



SECTION 2: CERTIFICATION POLICY

The contract processing procedure commences with the entry of contract details into the designated Excel tracking document. This document serves as the primary record for tracking contracts and includes essential details such as the PO number, contract number, vendor information, project names, amounts, and routing dates. The contracts are organized by fiscal year to ensure easy reference and management. This Excel sheet acts as the central tool for tracking the status of each contract through the approval process.

Following this, the availability of funds and the specific accounts to be utilized must be reviewed and identified.

A key requirement of this process is the confirmation of sufficient fund availability prior to contract approval. It is the responsibility of the assigned team to ensure that all necessary funds are properly certified before the contract proceeds to the next stage of processing.

Although Munis, the financial system in use, is designed to provide a paperless workflow, it has not yet fully achieved this functionality. As a result, physical documentation is still required at certain stages of the process, adding complexity to the workflow. This reliance on physical documentation adds complexity to the workflow but remains necessary until the system can fully support electronic processes.

Fund certification, in particular, requires approximately one week to complete.

Within the Financial Services Division – Operations Section, the Accountant and the Director review and sign the Fund Status Report before it is forwarded to the Secretary of Finance for final approval.

Section 2.1 Challenges and Solutions

One of the challenges faced in this process is the current reliance on physical documentation due to Munis' incomplete paperless functionality. While efforts are being made to improve the system, physical documentation is still necessary at certain stages, adding additional steps to the workflow. To address this, the team continues to monitor the progress of Munis and works to streamline processes wherever possible.

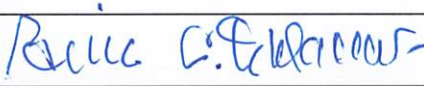
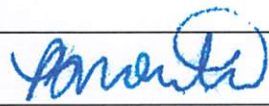
Another challenge arises when contracts involve both local and federal funds, requiring dual certification. This dual certification process adds complexity to the contract approval workflow. To resolve this, the team ensures clear communication and coordination between the departments involved in the certification process, ensuring that both local and federal funds are properly accounted for.

Lastly, confusion regarding contract terminology (e.g., vendor contracts vs. independent contracts) has been identified as a source of inefficiency in the routing process. To address this, the team works to standardize the terminology used in the contract processing system and ensures that all team members are familiar with the definitions and routing procedures for different types of contracts.

SECTION 3: REVISION/VERSION HISTORY

*This Fund Certification procedure will be periodically reviewed and updated to reflect changes in regulations or organizational requirements.

Revision History

Originator:	Department of Finance, Office of the Secretary
Effective Date:	10/01/25
Reviewed By:	Bernadita C. Palacios, Division of Financial Services Director
Reviewer Signature:	
Approved By:	Tracy B. Norita, Secretary of Finance
Approval Signature:	 10/29/2025
Procedure Purpose:	To ensure that funds are properly certified and allowable, following rules and laws before any financial obligation is made.

Version History:

Version Number	Version Date	Description of Change	Point of Contact
Version 1.0	10.01.25	Initial Release	SOF Office

SECTION 4: APPENDICES

Appendix A: SAMPLE EXCEL DOCUMENT

A	B	C	D	E	F	G	H	I	J	K	L
DATE RECEIVED	REVIEWING DATE	DEPT	ACCT#/OBJ	CONTRACT (Vendor Name)	C/O	DESCRIPTION	AMOUNT	DOC#	ROUTING TO		ADDL NOTES

Appendix B: SAMPLE OF FUND STATUS REPORT

COMMONWEALTH NORTHERN MARIANA ISLANDS



YEAR-TO-DATE BUDGET REPORT

FOR 2025 10									
ACCOUNTS FOR:	GENERAL FUND	ORIGINAL APPROP	TRANSFERS/ADJUSTMENTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED	
11	WAGES & SAL	0	0	0	11,827.68	.00	-11,827.68	100.0%	
	HOLIDAY PAY	0	0	0	673.12	.00	-673.12	100.0%	
	FICA CONTRI	0	0	0	775.06	.00	-775.06	100.0%	
	MEDICARE CO	0	0	0	181.23	.00	-181.23	100.0%	
	PROFESSIONA	0	0	0	9,504.00	.00	-9,504.00	100.0%	
	RENTAL-OTHE	0	0	0	288.25	.00	-288.25	100.0%	
	SUBSISTANCE	0	0	0	20,000.00	.00	-20,000.00	100.0%	
	OFFICE SUPP	0	0	0	414.11	.00	-414.11	100.0%	
	FUEL & LUBR	0	0	0	791.39	.00	-791.39	100.0%	
	FURNITURE &	0	0	0	.00	77.88	-77.88	100.0%	
	VEHICLES	0	0	0	4,573.50	.00	-4,573.50	100.0%	
	OTHER EXPEN	0	72,744	72,744	1,300.56	.00	71,443.62	1.8%	
	CONTRIBUTIO	0	0	0	4,271.58	2,374.41	-6,645.99	100.0%	
TOTAL GF:		0	72,744	72,744	54,600.48	2,452.29	15,691.41	78.4%	
TOTAL GENERAL FUND		0	72,744	72,744	54,600.48	2,452.29	15,691.41	78.4%	
TOTAL EXPENSES		0	72,744	72,744	54,600.48	2,452.29	15,691.41		