

Commonwealth of the Northern Mariana Islands (CNMI)

Department of Finance & Department of Public Lands

**DPL CLEARING ACCOUNT AND
OPERATIONS ACCOUNT**

STANDARD OPERATING PROCEDURES



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SECTION 1: PURPOSE

This plan reflects the Department of Finance (DOF) and Department of Public Land's (DPL) commitment to coordinate operations as co-trustees of the DPL Operations Fund, to comply with Executive Order 2025-006.

SECTION 2: ANNUAL \$1,000,000 MINIMUM REMITTANCE

Section 1(a) requires DPL to annually prepare a budget itemizing, at a minimum, \$1,000,000 for remittance to Marianas Public Land Trust (MPLT). DPL has already included a separate \$1,000,000 line item in its FY 2026 budget submission for remittance to MPLT. This line item will remain in every future DPL budget beginning FY 2026. Monthly allotments to DPL will reflect this reduction in funding as provided by the Office of Management & Budget (OMB).

SECTION 3: ESTABLISHMENT OF REQUIRED ACCOUNTS

The Department of Finance is to take the following actions immediately following the EO effective date:

Section 3.1 DPL Operations Fund Clearing Account (§1(b))

Section 1(b) requires the Department of Finance to establish a DPL Operations Fund Clearing Account into which all land lease payments shall be deposited. Pursuant to Section 1(b), the Department of Finance is to establish the DPL Operations Fund Clearing Account as the single depository for all future lease payments, fees, penalties, and other public-land revenues. DPL will immediately transfer the remaining \$20,395.95 currently held in a separate DPL bank account into the CNMI Treasury DPL Operations Fund Clearing Account #2000-285877 held at Bank of Guam and will ensure that 100% of collections are deposited into the Clearing Account. DOF shall provide MPLT online viewing access to the account.

Section 3.2 DPL Operations Fund Security Deposit Account (§1(c))

Section 1(c) requires a dedicated, segregated account for all lessee security deposits. As of October 3, 2025, DPL maintains \$ 2,057,328.09 in a restricted time-deposit account used exclusively for this purpose, and this amount is never commingled with operating funds. Pursuant to Section 1(c), the Department of Finance formally designates this existing time-deposit account as the official DPL Operations Fund Security Deposit Account.

Section 3.3 DPL Operations Fund – Payroll/Operations Account (§1(d))

Section 1(d) requires the Secretary of Finance to transfer funds from the DPL Operations Fund Clearing Account to a DPL Operations Fund – Payroll/Operations Account. This Account shall be the sole account from which DPL may pay salaries, utilities, contracts, and all other operating expenses. Section 1(d) also requires that in Fiscal Year 2026 only, the cash balance of the DPL Operations Fund-Payroll/Operations Account may maintain but not exceed two quarters' worth of budgetary allotments, exclusive of funds already contractually obligated. The current DPL Operations Fund bank account #2000-129946 at Bank of Guam is designated as the "Payroll/Operations Account".

SECTION 4: SEED-MONEY RECONCILIATION AND FINAL TRANSFER

Section 1(e) requires reconciliation of all "seed money" from prior fiscal years within 120 days of the effective date of the Executive order, and requires the remittance, by the end of FY 2026.

- a. DPL will provide a reconciliation to identify:
 - Prior Year Encumbrances
 - Deferred Revenue
 - Amount equal to one quarter's budgetary allotment that will be required to fund the first quarter of the next fiscal year. This retained one-quarter amount would be drawn only from prior fiscal year collections and would serve as the opening cash balance for the new year operations and repaid to MPLT as new revenues are collected.
- b. At the end of Fiscal Year 2026, the reconciled seed money shall be remitted to MPLT. This remittance shall be considered amounts due from prior fiscal years and shall be paid from the DPL Operations Fund.

SECTION 5: QUARTERLY SWEEPS AND \$1 MILLION ANNUAL FLOOR

Section 1(f) provides that on a quarterly basis, any remaining funds in the DPL Operations Fund Clearing Account after transfers out to the DPL Operations Fund Security Deposit Account and the DPL Operations Fund-Payroll/Operations Account shall be immediately remitted to MPLT and requires that in no event shall aggregate remittances to MPLT in the course of a given fiscal year fall below \$1,000,000.

- a. At the end of each quarter, DPL shall report to the Secretary of Finance within 15 working days the amounts necessary for transfer from the Clearing account to the Security Deposit Account and the DPL Operations Fund-Payroll/Operations Account, in the amount equal to one quarter's budgetary allotment. Additionally, DPL must provide the amounts contractually obligated to remain in the Operations Account. Secretary of Finance shall transfer the funds to MPLT within 30 days of the end of each quarter. For Fiscal Year 2026, an amount equal to two (2) quarters' budgetary allotment is allowed.
- b. Beginning with the quarter ending March 31, 2026, any funds remaining in the Clearing Account after required transfers shall be remitted by the Secretary of Finance to MPLT. The quarterly remittance shall be considered a remittance of the net income for the previous three months.
- c. DPL acknowledges and agrees that aggregate annual remittances shall not fall below \$1,000,000 as provided by the EO. In the event of a shortfall in revenue collection from the projected amounts, DPL shall implement austerity measures or otherwise restrict spending to prioritize remittance of this amount.

SECTION 6: LIMITATION ON RESERVES

Section 1(g) requires the Secretary to ensure that DPL holds no cash reserves except as permitted by the Executive Order. Effective October 1, 2026, DPL will maintain cash reserves only to the extent expressly permitted by the Executive Order.

SECTION 7: LEGISLATIVE APPROPRIATION

Section 1(h) requires that revenue collection and expenditure by DPL shall be pursuant to legislative appropriation as an executive branch line agency. DPL understands this to limit DPL's expenditures to those amounts approved by the CNMI Legislature and adjusted by OMB to ensure compliance with the Executive Order and will limit expenditures to such amount.

SECTION 8: QUARTERLY REPORTING

Section 1(i) requires that within ten days following the end of each quarter of the fiscal year, the Secretary of Public Lands shall submit a report to the Governor and the Secretary of Finance enumerating the current status of all public land leases, revenues, expenditures, encumbrances, and receivables of DPL, and anticipated actions to recover receivables owed by lessees and enforce lease terms. The Secretary will timely submit the report each quarter as required. The following are reports that sufficiently meet the reporting requirement:

- Summary of status of leases – quarterly
- Summary of receivables – quarterly
- Summary of other actions (enforcement actions, collections, notice of violations, terminations, etc.)
- MUNIS Year to Date Report (Revenues/Expenditures) as of quarter end date

SECTION 9: REVISION/VERSION HISTORY

* This DOF/DPL operating procedures will be periodically reviewed and updated to reflect changes in regulations or organizational requirements.

Revision History

Originator:	Department of Finance and Department of Public Lands
Effective Date:	2/01/26
Reviewed By:	Natalia Sablan, Internal Auditor
Reviewer Signature:	
Approved By:	Tracy B. Norita, Secretary of Finance
Approval Signature:	
Procedure Purpose:	The purpose of this procedure is to outline and formalize the coordinated operational responsibilities of the Department of Finance (DOF) and the Department of Public Lands (DPL) as co-trustees of the DPL Operations Fund. This plan ensures that both agencies work collaboratively, consistently, and in full compliance with Executive Order 2025-006.

Version History:

Version Number	Version Date	Description of Change	Point of Contact
<i>Version 1.0</i>	<i>02.01.26</i>	<i>Initial Release</i>	<i>SOF Office</i>