

**Commonwealth of the Northern Mariana Islands (CNMI)**

**Department of Finance**

# **INTERNAL CONTROLS FOR FEDERAL GRANTS MANAGEMENT MANUAL**



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## SECTION 1: INTRODUCTION

This manual sets forth the policies and procedures used by the Commonwealth of the Northern Mariana Islands (CNMI) to administer federal funds. The manual contains the internal controls and grant management standards used by the Commonwealth to ensure that all federal funds are lawfully expended. It describes in detail the CNMI's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. New employees of the CNMI, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the CNMI's rules and practices as it pertains to federal grants.

Grant funds are intended to supplement the CNMI budget but cannot replace budgeted funds. Therefore, when possible, it is critical that the grant application be developed in conjunction with the CNMI annual budget. Grant managers should make use of existing furniture, equipment, supplies and materials rather than purchasing new items with grant funds whenever feasible.

### Section 1.1 Applicable Statutes

- [2 CFR 200](#)
- [CNMI Administrative Code Title 70](#)
- [Emergency Procurement- §70-30.3-230](#)

### Section 1.2 Definitions and Acronyms

- Award Notice – An email or document (or both) given from the Federal Agency (Grantor) to the grantee that the grant application is approved. Can be referred to as Grant Award Notice (GAN), Notice of Award (NOA), or Cooperative Agreement (e.g., USDA agreement).
- CNMI – Commonwealth of the Northern Mariana Islands.
- Direct Cost vs Indirect Cost (2 CFR Part 200, Subpart E)
  - Direct Cost – Costs that can be clearly tied to a specific project or activity. You can directly trace them.
  - Indirect Cost – Shared or overhead expenses that help keep the organization running.
- DOF – Department of Finance
- Drawdown – Process whereby a state requests and receives federal funds.
- Encumbrance/Obligation – Funds that are reserved for specific uses, typically through purchase orders or contracts.
- Grant Master Module – Contains the specific information about the grant and all associated projects. Serves as summary information.
- Grantee – The direct recipient of a grant that is accountable for the use of the funds received. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

- Grantor – The Federal agency that awards a grant to an eligible grantee.
- Munis – Refers to the financial management system used in CNMI
- OGM – Office of the Grants Management
- OMB – Office of the Management and Budget
- POP – Period of Performance, the term used for the start and end date of the grant (grant cycle).
- Program Manager (PM) – The agency chooses their own PM. The PM can be anyone.
- Project Master Module – Refers to the actual project itself with all the project details (e.g., GL codes).
- Subrecipient – An entity that receives a subaward.

## Section 1.3 Effective Date

The Internal Control for Federal Grants Policies and Procedures will be effective **May 1, 2025**, and the following Internal Control activities will be enforced.

# SECTION 2: INITIATION

## Section 2.1 Grant Application

The Federal Agency (Grantor) will announce the notices of funding opportunities with information on the grant opportunity (see [2 CFR 200.204](#) and [2 CFR 200.207](#)). Once a grant opportunity has been identified, the Grants Administrator, Office of Grants Management (or Program Manager), is notified of the potential grant funds.

There are two ways to apply for a grant:

1. The Program Manager of a Department/Agency will directly apply for the grant to the Federal Grant or;
2. The OGM will apply for available grants on behalf of the departments/agencies.

The Program Manager or OGM will apply to sites (e.g. Grants.gov and GrantsSolutions.gov) for a grant with the budget proposal and other required documents for the application that are related to their projects, including the following information (See [2 CFR 200.203](#))

- Source of funds or federal program
- Purpose of the grant – how the grant received will be used
- Timeline for application and approval
- Match requirements, if applicable
- Estimated amount and period of performance of funds

Once the application and budget proposal are submitted, the Federal Agency will review the application and make a decision ([2 CFR 200.205](#)). If the grant is approved, the grantor notifies either OGM or the Program Manager.

Financial grant management falls under the responsibilities of the Office of Grants Management. If the grant could impact another department, the grant manager is responsible to have a follow-up discussion with key stakeholders. For instance, if an application could result in technology purchases, the Director of Information Technology would be involved in the planning process.

## Section 2.2 Receiving the Award Notice

After the decision has been made, the Grantor will notify the Program Manager of their qualification for the grant opportunity and will issue an Award Notice (GAN or NOA) via email or formal letter. The Award Notice includes essential information, along with the terms and conditions required for compliance with the grant award, as outlined in [2 CFR 200.211](#).

### *See Appendix for a Sample Notice of Award*

Upon receipt of the Award Notice, the Program Manager notifies the Office of Grants Management (OGM) and proceeds with establishing an allotment advice and project. If the grant application was processed through OGM, the office will provide a copy of the Award Notice to the Program Manager of the relevant department or agency and will coordinate the establishment of the allotment advice and project setup.

1. **Establish an Allotment Advice** - A grantee department or agency must submit for an allotment to the Office of Management and Budget. The allotment must contain a budget summary of how the funds will be distributed. If a budget summary is prescribed by a grantor agency, then those documents will prevail. (**See Sample Allotment Form**).
2. **Establish a Project Number.** A grantee department or agency must request a project from the Department of Finance. Copies of the grant award, grant guidelines, allotment advice, and other grant documentations (Special Conditions) must be provided along with the request.

The Grantee must submit the awarded grant application documents, along with the Allotment Advice, to the Grant Administrator (OGM) for budget and content review. The OGM ensures that the budget is properly aligned, all regulations are followed, and all required documents have been submitted.

Additionally, the Grantee department or agency is required to submit signed copies of the Award Notice to Office of Grants Management (OGM), Office of Management and Budget (OMB), and Department of Finance – Federal Section. When the Federal Section receive the Award Notice, Allotment Advice and other documents, the section will establish a project number. All grant awards go through the OGM except the Judiciary who can directly go to the Federal Section.

## Section 2.3 Creating a Project in Munis

The grantee submits the OGM-approved documents, including the Advice for Allotment, Award Notice, and other required documents, to the Federal Section. The Federal Section is responsible for establishing project numbers and object codes in Munis through the Grant Master Module and Project Master Module. Physical documents are scanned, uploaded, and stored in Munis for record-keeping. In compliance with 2 CFR 200.302, upon receipt of the initial allotment, the assigned personnel (Accountant) upload the

allotment to the Grant Master Module in Munis. The uploaded details include the ALN (Assistance Listing Number, formerly CFDA), the Grant Award Application Number, the name of the federal agency, and, if applicable, the name of the pass-through entity.

Once the allotment is entered into the Grant Master Module, the actual project is established in the Project Master Module. This process includes entering all project details such as GL codes, object codes, expense strings, and other relevant information required for accurate financial tracking and compliance. The Federal Section Manager will review the details, approves and signs the Advice of Allotment. The grantee department will pick up the document from Federal to submit it to OMB. OMB then allocates the budget in Munis for the funds to be available for use. All grant expenditures must be within the grant award dates (Period of Performance or POP). The allocated fund in Munis must match the current grant award notice. If an amendment is approved, Munis should be updated accordingly upon approval of the Award Notice.

## Section 2.3.1 Creating a Project for Subrecipients

### Granting Subaward to Subrecipient

In the event that the CNMI awards subgrants to other entities, the grantee department is responsible for monitoring the grant subrecipients to ensure compliance with federal ([2 CFR 200.331](#)), state, and local laws and as well as verifying their eligibility to receive the subaward.

*Note: A grant monitoring subrecipient policy is required to receive the subaward. If no existing policy is in place, please refer to the recommended standardized monitoring policy.*

### Recommended Standardized Monitoring Policy

When a subrecipient receives a subaward, the Program Coordinator ensures compliance with regulations and proper documentation throughout the process while notifying relevant stakeholders of the award. The Program Coordinator prepares an Allotment Advice needed to establish the project. Federal section enters subaward in the Project Master module in Munis (code is SUB) to create a project number under an existing grant. This entry into the financial system ensures the proper allocation of the subaward. A formal subrecipient agreement is then drafted, outlining the terms and conditions, responsibilities, and compliance requirements of the subaward. To finalize the agreement, a meeting is scheduled with the agency director to discuss and address any concerns before proceeding with approval. After the meeting, the agency director reviews and signs the subrecipient agreement along with related documents. This formalizes the grant award, ensuring that all conditions are met before the funds are utilized.

Monitoring continues beyond the initial approval. After the first year, a checklist and assessment are completed to evaluate the subrecipient's performance and compliance with the agreement. These assessments are updated annually or upon project completion to maintain accountability and ensure adherence to the terms of the award.

*See Appendix for recommended monitoring flowchart.*

## SECTION 3: BUDGET ALLOCATION

Once the grant award and the allotment advice have been routed from the agencies, OGM, and DOF – Federal Section and all signatories are there, it will be forwarded to the Office of Budget Management (OMB) and will establish the budget allocation in Munis to available for use. The grantee (department or agency) is responsible for preparing the allotment advice related to the grant. All necessary information (e.g., project number) must be established before forwarding it to OMB. Creating the budget is the responsibility of the grantee upon the grant application. In initiating the budget in Munis, OMB is responsible for entering new grant awards budget changes like additional funding or de-obligations. Agencies initiate the budget in the system for reprogramming. OMB posts the grant into the system so the fund can be available for use.

### Section 3.1 Allocating the Budget in Munis

When the OMB receives the grant award, an assigned analyst will initiate an entry of the budget for the grant award into the system. After initiating the budget, it will go to a workflow where another analyst will review the budget to ensure the details are correct between what is entered in the Munis and the GAN and allotment advice and if it follows the [2CFR 200.308](#). After the analyst reviews it, the entry will be forwarded to the OMB Director, who will review and approve it. If the Director rejects the budget entry, a comment must be indicated on why it is rejected, and it will be routed back to the analyst. For rejected budget allocations, the initiator (analyst who enters the grant award) will make changes based on the comments, and the cycle continues until it is approved.

After the budget is approved, an assigned analyst will post the budget allocation for the fund to be available for use. In cases where the agency initiates the grant award in the system, OMB will review, approve, and post the budget to make it available for use. If the entry is rejected, the workflow will return it to the agency for corrections. In certain instances, grant funds may not be released all at once due to some special conditions like needing additional documents or requirements.

### Section 3.2 Budget Amendment

If the grant award amounts vary from the submission (whether increased or decreased), the Project Manager of an agency submits an amendment to OGM, OMB, and DOF to review the differences and implications for the variance. A variance occurs when there is additional funding allocated, or there is de-allotment. The CNMI ensures grant amendments are submitted and approved in advance of the needs. Grant amendments can be made for financial and/or programmatic purposes. The grant manager (agency) is responsible for requesting a grant amendment to the grantor. If a grant amendment is financial in nature, the DOF shall review it in advance of submission.

Grant amendments should be submitted in advance of need; implementation of the amendment (either financial or programmatic) relies on the amendment approval date. Amendments can also be referred to



as reprogramming. When there is reprogramming of the budget, agencies are responsible for initiating the change in Munis.

### Section 3.2.1 Reprogramming

Agencies prepare an allotment with justification for the reprogramming and secure grantor approval if necessary. Unlike amendment that increases or decreases funding, reprogramming won't change the grant amount. Once approved, the allotment is submitted to the Office of Grants Management (OGM) for review and then to OMB, in certain situations like creating a new object code, then it will go to the Federal Section. If the allotment requires processing by Finance, the agency delivers it to Finance before forwarding it to the OMB for review and posting. Agencies upload the allotment to Munis, where it enters the workflow and notifies OMB, which is responsible for the final review, approval, and posting. Refer to [2 CFR 200.308](#) for the guidelines in budget revision.

### Section 3.3 Budget Controls

**Segregation of Duties** – a different analyst will initiate and enter the grant award in the system, another analyst will review it, and another analyst will post the allocation. Thus, no analyst can assume all the duties.

**Technology Controls** – Munis has budget controls that prevent a user from allocating funds above the allotted budget. Grantees can run their own reports to view available budget. Grantees are responsible to manage their budgets within grant parameters.

**Monitoring** – OMB generates Print Template report that is useful for monitoring and comparing the actual expenditures to budget of the Federal Grants.

## SECTION 4: PROCESS AND RECORDING

### Section 4.1 Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. Agencies of the CNMI must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are guidelines to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant program and to further the selected objectives; and

- Compliance with applicable laws and regulations.

### Section 4.1.1 Spending Grant Funds

As the recipient of federal funds, the CNMI is responsible for administering the grant consistent with the grantor's terms and conditions. Federal funds must be administered in a manner consistent with the cost principles contained 2 CFR Part 200 the Uniform Administrative Requirements, Cost Principles and Audit Requirements for federal awards. The Director of Financial Services is responsible for ensuring compliance with 2 CFR Part 200.

Although each grant may have specific allowable and unallowable costs, the CNMI adheres to the federal cost principles when developing and administering the budget. Federal cost principles require costs to be allowable, reasonable, and allocable.

To meet the definition of "**allowable**," a cost must be:

1. Be necessary and reasonable to carry out the grant;
2. Be consistent with the policies and procedures that apply uniformly to federal and locally financed expenses;
3. Not be included as part of a match of federal funds; and
4. Be adequately documented.

To meet the definition of "**reasonable**," the cost of the good or service does not exceed the amount a prudent person would spend on an item at the time the decision was made to incur the cost. Reasonable is further defined as:

1. Use of sound business practices, adherence to federal and local laws and regulations; and the terms and conditions of the Federal award.
2. Use of market prices in the local area for comparing the costs of goods and services.

To meet the definition of "**allocable**," the cost of the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. Allocable is further defined as:

1. Costs are incurred specifically for the Federal award.
2. Costs can be distributed in proportions that may be approximated using reasonable methods.
3. Costs necessary to the overall operation of the non-Federal entity.

While developing and reviewing the grant budget, the Director of Financial Services and the Grants Administrator should keep in mind the difference between direct costs and indirect costs.

### Section 4.1.2 Application to Federal Awards

The association of costs with a Federal award determines whether costs are direct or indirect. Costs charged directly to a Federal award are typically incurred specifically for that Federal award (including, for example, supplies needed to achieve the award's objectives and the proportion of employee compensation and fringe benefits expended in relation to that specific award). Costs that otherwise

would be treated as indirect costs may also be considered direct costs if they are directly related to a specific award (including, for example, extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities, cybersecurity, integrated data systems, asset management systems, performance management costs, program evaluation costs, or other institutional service operations).

### **a) Direct Cost (2 CFR 200.413)**

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 C.F.R. § 200.413(a).

### **b) Indirect Costs (2 CFR 200.414)**

Indirect costs are those that have been incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 C.F.R. § 200.56.

Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a). Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. 2 C.F.R. § 200.413(b). The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not also recovered as indirect costs. 2 C.F.R. § 200.413(c).

**Indirect Cost Rate:** The Office of Grants Management determines an unrestricted and restricted indirect cost rate for every agency in the CNMI. The rates are determined annually based on information submitted in the End of Year report and are the maximum allowable rate for any fiscal year. Under 34 C.F.R. § 75.561 and 34 C.F.R. § 76.561, a state agency may approve an indirect cost rate for longer than one year. According to OGM, if an agency utilizes an indirect cost figure, it must be equal to or less than the currently approved restricted rate.

### **Federal Agency Acceptance of Negotiated Indirect Cost Rates. (See § 200.306.)**

(1) Negotiated indirect cost rates must be accepted by all Federal agencies. A Federal agency may use a rate different from the negotiated rate for either a class of Federal awards or a single Federal award only when required by Federal statute or regulation, or when approved by the awarding Federal agency in accordance with paragraph (c)(3) of this section.

(2) The Federal agency must notify OMB of any approved deviations. The recipient or subrecipient may notify OMB of any disputes with Federal agencies regarding the application of a federally negotiated indirect cost rate.

(3) The Federal agency must implement, and make publicly available, the policies, procedures and general decision-making criteria that their programs will follow to seek and justify deviations from negotiated rates.

(4) The Federal agency must include, in the notice of funding opportunity, the policies relating to indirect cost rate reimbursement or cost share as approved under paragraph (e). As appropriate, the Federal agency should incorporate discussion of these policies into its outreach activities with applicants before posting a notice of funding opportunity. See § 200.204.

### **De minimis rate**

Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15 percent of modified total direct costs (MTDC). The recipient or subrecipient is authorized to determine the appropriate rate up to this limit. The de minimis rate must not be applied to cost reimbursement contracts issued directly by the Federal Government in accordance with the FAR. Recipients and subrecipients are not required to use the de minimis rate. When applying the de minimis rate, costs must be consistently charged as either direct or indirect costs and may not be double charged or inconsistently charged as both. The de minimis rate does not require documentation to justify its use and may be used indefinitely. Once elected, the recipient or subrecipient must use the de minimis rate for all Federal awards until the recipient or subrecipient chooses to receive a negotiated rate.

## **Section 4.1.3 Allowable Costs**

The Office of Grants Management must maintain written procedures for determining allowability of costs in accordance with Uniform Guidance policies or the 2 CFR.

### **a) Determining Allowable Cost**

Allowable costs are determined by the grantor wherein each Federal Grant and agency has its own specifications and special provisions of what is allowable or not. Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the grantor.

When determining how the agency will spend its grant funds, the Grant Manager will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in 2 CFR Part 3474 and 2 CFR Part 200, which are provided in the bulleted list below. The Grant Manager must consider these factors when making an allowability determination.

Agency staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining **reasonableness** of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the agency or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; federal and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the agency, its employees, the public at large, and the federal government.
- Whether the agency significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. §200.404

While 2 C.F.R. §200.404 does not provide specific descriptions of what satisfies the “**necessary**” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the agency can demonstrate that the cost addresses an existing need, and can prove it. For example, the agency may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is **necessary**, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
- Whether the cost is identified in the approved budget or application.
- Whether there is an educational benefit associated with the cost.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives and is based on program data.

*Allocable to the federal award.* A cost is **allocable** to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. §200.405. For example, if 50% of an employee's salary is paid with grant funds, then that employee must spend at least 50% of his or her time on the grant program.

*Consistent with policies and procedures that apply uniformly to both federally financed and other activities of the agency.*

*Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.*

*Consistent treatment.* A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

*Adequately documented.* All expenditures must be properly documented.

*Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.*

*Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.* Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.

*Be the net of all applicable credits.* The term “**applicable credits**” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the CNMI relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. §200.406.

Purchases for goods and services paid for with grant funds shall be net of all applicable credits. To avoid the earning of “credits” where the benefits are not reimbursable or credited to the federal grant, personal reimbursements are discouraged for purchases made with federal grant funds. The agency will take advantage of all prompts pay discounts. All payments from federal grants shall be processed through the CNMI’s accounting system through the invoice payment process.

Part 200’s cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require local-level requirements and policies regarding expenditures to be followed as well. For example, local policies relating to travel or equipment may be narrower than the federal rules, and the stricter local policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under CNMI law.

## **b) Selected Items of Cost**

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

Agency personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The agency must follow these rules when charging



these specific expenditures to a federal grant. When applicable, agency staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, local, agency and program-specific rules may deem a cost as unallowable and agency personnel must follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452

Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Likewise, it is possible for the CNMI to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult federal, and CNMI requirements when spending federal funds. CNMI procurement regulations are usually more restrictive than the federal guidelines.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute along with accompanying program regulations, non-regulatory guidance and grant award notifications.

### **c) Frequent Types of Costs**

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally



funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R §200.474(a).

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the CNMI in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the CNMI's established policy. 2 C.F.R §200.474(b).

In addition to the federal guidelines regarding travel, employees and officers must adhere to CNMI travel policy. The travel policy covers single day travel, overnight travel, and out-of-state travel.

#### **d) Helpful Questions for Determining Whether a Cost is Allowable**

In addition to the cost principles and standards described above, the Director of Financial Services and the grant manager can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific item, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules?
- For example, the agency may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the Director of Financial Services and the grant manager should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of residents for which they are allocated. The recipients cannot use federal funds to supplant nonfederal funds that would otherwise have been used for the expenditure in question.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the grant manager should review data when making purchases to ensure that federal funds meet these areas of concern. This should be a collaborative effort of the Procurement Director who reviews and approves requisitions.

## **Section 4.2 Cost Processing and Recording**

The initiation of costs begins with multiple document entry points, including Expense Claims, General Journals, Invoice Entries, Purchase Requisitions/Orders, Payroll, and Contracts. The processing of costs relies either on manual actions or the Munis system. Authorized personnel initiate actions in Munis, which are then released into the workflow for approval. Departments upload all source documents related to each

cost transaction into Munis, where the documents undergo review and approval by various departments. All costs (expenses) are processed by Financial Services. The FS - Federal Section provides an additional layer of review for both the cost transactions and their supporting documents. For detailed processes, refer to the policies and procedures of relevant agencies such as Accounts Payable, Procurement, Travel, Payroll, and other involved departments.

### Section 4.2.1 Certifying of Costs

When processing costs, the Federal Section certifies whether the cost is allowable, reasonable, and allocable.

Items Reviewed When Certifying Costs:

- **Invoice and Requisition or Purchase Orders** – authorized personnel of each departments initiate entries in Munis, which are then released into the workflow. The Federal Section reviews and approves these through the workflow.
- **Contract** – authorized personnel initiate contract entries in Munis, which are released into the workflow. However, the Federal Section's approval is done manually. The Federal Section generates a Print Template Report from Munis and verifies it against the contract. The physical copy of the contract is reviewed and either signed or initialed (e.g., with "OK") as evidence of validation. Both the report and the contract are then forwarded to the SOF for final approval and signature.
- **Payroll** – The Federal Section certifies the Request for Personnel Action (RFPA) by verifying the contract period, availability of funds, specific position, approved grantor budget, and other necessary details. Once verified, the Federal Section signs the RFPA (e.g., places "OK") to indicate validation. After validation, the RFPA is forwarded to the SOF for final signature.
- **General Journal** – The Federal Section can only enter General Journal. Anyone in the section can initiate this action or transaction. The information and documents needed to initiate this transaction mainly from:
  - *Corrections or Adjustments* – not necessarily initiated by the department
  - *Memo Transfers from the Department* (e.g. Expense or Payroll Transfers)
  - *IDC Calculations* – each time there is an indirect cost, a journal entry must be recorded. When a PO is entered, the associated indirect cost should be calculated immediately. When a grant is encumbered for a PO or contract, the corresponding indirect cost is also encumbered. Indirect cost rates are based on the Negotiated Indirect Cost Rate Agreement (NICRA).
  - *PUA* – receives information from OIT and Federal Sections records the expense, transfer to its respective project.

The signatory of this transaction is the Director of Financial Services.
- **Expenses Claims** – Authorized personnel enter an expense claim in Munis, which is then subjected to review and approval. Once approved, it is converted into an Accounts Payable (AP) invoice.

## Section 4.3 Record Retention

The DOF must maintain records which adequately identify the source and application of funds provided for federally assisted activities. These records must contain information pertaining to grant or sub-grant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

### Retention Period

Source documents related to federal grants are uploaded and stored in Munis. The retention period for these documents is seven (7) years from the grant closeout date.

## SECTION 5: DRAWDOWN PROCESS

There are two ways to initiate drawdowns, either the Federal Section or trained agencies/departments that manage their own drawdowns may initiate the request for federal funds by using the standard SF-270 form when processing a reimbursement request. If the grantor agency does not require the SF-270, an alternative form approved by Financial Services may be used. Once the drawdown request is prepared, it is forwarded to the Treasury, which will facilitate the online drawdown of federal funds through the **SMARTLINKS** system or other grantor-approved methods, such as **ASAP, G5, or ECHO**.

1. Federal grant fund drawdowns managed by the Financial Services – Federal Section:
  - Federal grants that require form SF270.
  - Drawdown request from agencies that include COTA, DLNR, DCCA, CBMA, DFEMS, OPD, Commerce, and FEMA-HMGP.
2. Agencies/departments that currently perform their drawdowns include the following:
  - DD Council, DOL, HSEM, DPW-Energy, CJPA, OGM, OPA, DFW-BTS Program, PAO, Medicaid, BECQ, DCRM, and VOC REHAB.

## Section 5.1 Drawdown and Disbursement

1. Initiating and Verifying the Reimbursement Request
  - a. **Accounts Payable Section** - enters and posts invoices into MUNIS as received.
  - b. **Federal Section** - runs an expenditure report to verify posted expenses match reimbursement/drawdown request.
  - c. **Federal Section** - provides Treasury with the verified drawdown request by either email or drop off. Drawdown coversheet must be signed and dated by Preparer, Approver, and Treasury
2. Processing of Drawdown in the Federal Online System
  - a. **Treasury** - processes the drawdown request through the respective Federal online payment system (ASAP, SMARTLINK(PMS), G5, ECHO, etc.).

3. Inform Drawdown Requestor and Record Keeping
  - a. Email requestor and CNMI Federal Drawdown members copy of the signed Draw Down Cover Sheet along with the Payment Transaction Document for their records.
  - b. Copy of the Drawdown along with Project Revenue Allocation Report and Payment Transaction Document is uploaded in the CNMI Federal Drawdown site at Documents for record keeping.
4. Recording of Cash Receipts
  - a. Designated **Treasury** staff will then monitor and identify funds received at BOG Federal Grant Bank Account.
5. Processing of Payments
  - a. **Treasury** will then process receipt at Payment Entry Module to match General Billing Invoice (GBI). Email copy of receipt to the Drawdown requestor for their record.
  - b. Process vendor payments listed in the Project Revenue Allocation Report. Vendor payments SOP can be found in the Check Writing SOP.
6. Issuing Payments
  - a. Checks are either picked up or mail out, while wire transfer and ACH transactions are electronically paid directly to the vendor's bank account.

The Department of Finance will process reimbursement requests in a timely manner. Consistent with local and federal requirements, the CNMI will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for review upon request. Reimbursements of actual expenditures do not require interest calculations.

### Section 5.1.1 Federal Cash Management Policy

The CNMI will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the CNMI, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the Commonwealth receives payment from the Federal agency/US Treasury on an as needed basis following the weighted average clearance pattern.

#### Recording of Federal Grants Receipts

On a regular basis, monthly or sooner, the Treasury shall provide bank statements, or reports from the cash management system, of the Federal grant account to the Director of Financial Services. The statements shall contain the deposits of Federal funds from the U.S. Treasury. Division of Financial Services shall record each deposit to the respective business unit under which a drawdown was requested.

#### Issuing Payments

The CNMI Treasury processes vendor payments. Payment vouchers processed by Division of Financial Services are submitted to the Treasury for payment. Payment terms are net 30 days for local invoice. Unless otherwise restricted by a grantor agency, vendors being paid with Federal funds will be paid after the funds are received. If Federal funds are received, payment must be made in compliance with the CMIA agreement between the CNMI government and the U.S. Treasury.

## Obligation of Funds

To obligate funds means to commit funds to an activity in accordance with the programmatic requirements of a grant. An obligation occurs when funds are encumbered on or after the project start date and up to the last day of the POP as stated in the award. For federal grants, the substantial approval date marks the first day that funds may be obligated. Obligations include placing orders for property and services, executing contracts and subawards, and conducting similar transactions during the authorized project period. Any funds not properly obligated within the POP will lapse and revert to the Federal Grantor.

The following table illustrates when funds are determined to be obligated under federal regulations:

If the obligation is for:	The obligation is made:
Acquisition of property	On the date which the CNMI makes a binding written commitment to acquire the property
Personal services by an employee of the CNMI	When the services are performed
Personal services by a contractor who is not an employee of the CNMI	On the date which the CNMI makes a binding written commitment to obtain the services
Public utility services	When the Agency receives the services
Travel	When the travel is taken
Rental of property	When the Agency uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E- Cost Principles.	On the first day of the project period.

## Period of Performance

Period of Performance (POP) is the timeframe for which a grantee can incur expenses or spend their money (2 C.F.R. § 200.77). All obligations must occur on or between the beginning and ending dates of the grant project (2 C.F.R. § 200.309). POP is dictated by statute and will be indicated in the Award Notice. Further, certain grants have specific requirements for carryover funds that must be adhered to.

## SECTION 6: REPORTING AND CLOSEOUT

Grantees must submit financial, performance, and other required reports to meet federal regulations and statutory obligations. These reports help ensure compliance with the federal award's administrative, financial, and programmatic terms. Specific reporting requirements depend on the grant's authorizing statute, the agency or department administering the grant program, and general statutory and regulatory guidelines related to grants.

1. **Federal Section** is responsible for submitting Federal Financial Reports (FFRs) following the start date of the performance period.

**Supporting documents that may be submitted with the FFRs can include the following:**

- *Print Template Report - Fund Status* - Revenue, Approved Budget, Expenses, Encumbrance, and Available Balance
- *Encumbrance Report* - Unliquidated obligation
- *Project Detail History* - Expenses Details

2. The ***designated Grant Manager*** prepares and submits performance reports. Depending on the funder's requirements, these reports may include performance metrics and a narrative update on project progress.

When the grantee does not have a final indirect cost rate covering the period of performance, a final financial report must still be submitted to fulfill the requirements of this section. The grantee must submit a revised final financial report when all applicable indirect cost rates have been finalized.

## Section 6.1 Liquidation

The liquidation period is the time after a grant performance period during which properly obligated expenditures can be claimed and the grant is closed out. The closeout period is usually after the performance period and this is where various activities are done such as the reconciliation, submitting of reports, and other required actions. To liquidate an obligation, the item must have already been purchased, the service must have already been provided, and payments must have been made. Grant managers must ensure that all open obligations under the federal grant are liquidated no later than 30 days prior to closeout. In the event that other policies allow for a longer liquidation period, the CNMI will adhere to this policy (30-day policy). If no liquidation is done within the period, Federal Section will de-obligate all remaining funds of the grant. The closeout will be managed by the Federal Section and will include a final FFR. The final report is approved and signed by the Director of Financial Services.

### ***Sample Federal Grant – Start Date: October 1, 2023, End Date: September 30, 2024***

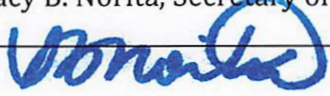
- Obligation may begin once substantially approved on or after the grant start date of October 1, 2023.
- All obligations must be made before the project ends on September 30, 2024.
- Liquidation must occur no later than 30 days after the end of the project, August 31, 2024.
- Completion reports to close out the grant is due within 90 days after the grant ends, December 29, 2024.



## SECTION 7: REVISION/VERSION HISTORY

*\* This Internal Control for Federal Grants policy and procedure will be periodically reviewed and updated to reflect changes in regulations or organizational requirements.*

### **Revision History**

Originator:	Department of Finance, Financial Services Division
Effective Date:	05/01/25
Approved By:	Tracy B. Norita, Secretary of Finance
Approval Signature:	
Procedure Purpose:	The purpose of this Internal Controls for Federal Grants Management Manual is to establish a comprehensive framework that ensures the effective, efficient, and compliant management of federal grant funds.

### **Version History:**

Version Number	Version Date	Description of Change	Point of Contact
<i>Version 1.0</i>	<i>05/01/25</i>	<i>Initial Release</i>	<i>SOF Office</i>

## SECTION 8: APPENDICES

## Appendix A: Sample Notice of Award

1. DATE ISSUED MM/DD/YYYY 08/05/2024		1a. SUPERSEDES AWARD NOTICE dated except that any additions or restrictions previously imposed remain in effect unless specifically rescinded				
2. CFDA NO. 15.875 - Economic, Social, and Political Development of the Territories						
3. ASSISTANCE TYPE Project Grant						
4. GRANT NO. D24AP00276-00 Originating MCA #		5. TYPE OF AWARD Other				
4a. FAIN D24AP00276		5a. ACTION TYPE New				
6. PROJECT PERIOD MM/DD/YYYY From 07/02/2024 Through 09/30/2028		7. BUDGET PERIOD MM/DD/YYYY From 07/02/2024 Through 09/30/2028				
8. TITLE OF PROJECT (OR PROGRAM) 10CY Dump Truck Acquisition For Roadways And Stormwater Maintenance						
9a. GRANTEE NAME AND ADDRESS OFFICE OF THE GOVERNOR PO BOX 500470 Saipan, MP, 96950-0470		9b. GRANTEE PROJECT DIRECTOR Mr. Ray Yumul Yumul 12306 ROTA PL, SUITE 201A Saipan, MP, 96950-9997 Phone: 870-235-5827				
10a. GRANTEE AUTHORIZING OFFICIAL EPIPHANIO CABRERA ISLA DRIVE SAIPAN, MP, 96950-9997 Phone: 6702871646		10b. FEDERAL PROJECT OFFICER Ms. Jennifer Feng 1849 C St, NW 3117 Washington, DC, 20240 Phone: 2025250521				
ALL AMOUNTS ARE SHOWN IN USD						
11. APPROVED BUDGET (Excludes Direct Assistance) I Financial Assistance from the Federal Awarding Agency Only II Total project costs including grant funds and all other financial participation		12. AWARD COMPUTATION a. Amount of Federal Financial Assistance (from item 11m) \$ 286,771.00 b. Less Unobligated Balance From Prior Budget Periods \$ 0.00 c. Less Cumulative Prior Award(s) This Budget Period \$ 0.00 d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION \$ 286,771.00 13. Total Federal Funds Awarded to Date for Project Period \$ 286,771.00				
a. Salaries and Wages \$ 0.00 b. Fringe Benefits \$ 0.00 c. Total Personnel Costs \$ 0.00 d. Equipment \$ 270,000.00 e. Supplies \$ 0.00 f. Travel \$ 0.00 g. Construction \$ 0.00 h. Other \$ 13,000.00 i. Contractual \$ 0.00 j. TOTAL DIRECT COSTS \$ 283,000.00 k. INDIRECT COSTS \$ 3,771.00 l. TOTAL APPROVED BUDGET \$ 286,771.00 m. Federal Share \$ 286,771.00 n. Non-Federal Share \$ 0.00		14. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project): YEAR TOTAL DIRECT COSTS YEAR TOTAL DIRECT COSTS a. 2 \$ d. 5 \$ b. 3 \$ e. 6 \$ c. 4 \$ f. 7 \$ 15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: a. DEDUCTION b. ADDITIONAL COSTS c. MATCHING d. OTHER RESEARCH (Add / Deduct Option) e. OTHER (See REMARKS) 16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING: a. The grant program legislation b. The grant program regulations c. This award notice including terms and conditions, if any, noted below under REMARKS. d. Federal administrative requirements, cost principles and audit requirements applicable to this grant. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.				
REMARKS (Other Terms and Conditions Attached - <input checked="" type="radio"/> Yes <input type="radio"/> No) OIA Grant # MAP-CNMI-2024-1						
GRANTS MANAGEMENT OFFICIAL: Jennifer Feng, Grants Management Specialist 1849 C St, NW 3117 Washington, DC, 20240 Phone: 2025250521						
17. VENDOR CODE 0071396580		18a. UEI UGPNBVMJMEX7 18b. DUNS 854857224				
19. CONG. DIST. 00						
LINE#	FINANCIAL ACCT	AMT OF FIN ASST	START DATE	END DATE	TAS ACCT	PO LINE DESCRIPTION
1	0051051650-00010	\$286,771.00	07/02/2024	09/30/2028	0412	OIA-FA-2024-003074 / D24AP00276 MAINTENC



## NOTICE OF AWARD (Continuation Sheet)

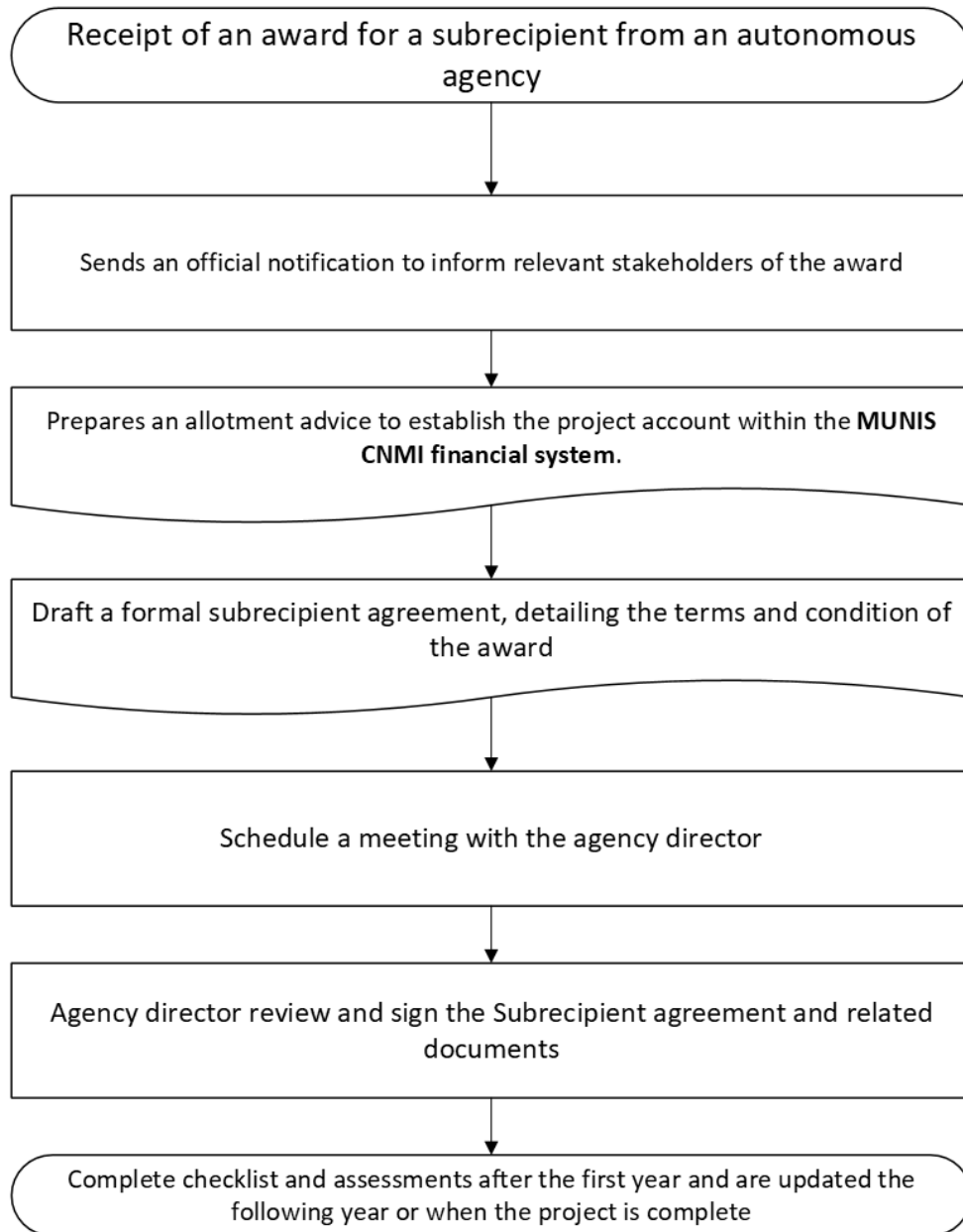
PAGE 2 of 2	DATE ISSUED 08/05/2024
GRANT NO. D24AP00276-00	

Federal Financial Report Cycle			
Reporting Period Start Date	Reporting Period End Date	Reporting Type	Reporting Period Due Date
07/02/2024	12/31/2024	Semi-Annual	01/30/2025
01/01/2025	06/30/2025	Semi-Annual	07/30/2025
07/01/2025	12/31/2025	Semi-Annual	01/30/2026
01/01/2026	06/30/2026	Semi-Annual	07/30/2026
07/01/2026	12/31/2026	Semi-Annual	01/30/2027
01/01/2027	06/30/2027	Semi-Annual	07/30/2027
07/01/2027	12/31/2027	Semi-Annual	01/30/2028
01/01/2028	06/30/2028	Semi-Annual	07/30/2028
07/01/2028	09/30/2028	Final	01/28/2029

Performance Progress Report Cycle			
Reporting Period Start Date	Reporting Period End Date	Reporting Type	Reporting Period Due Date
07/02/2024	12/31/2024	Semi-Annual	01/30/2025
01/01/2025	06/30/2025	Semi-Annual	07/30/2025
07/01/2025	12/31/2025	Semi-Annual	01/30/2026
01/01/2026	06/30/2026	Semi-Annual	07/30/2026
07/01/2026	12/31/2026	Semi-Annual	01/30/2027
01/01/2027	06/30/2027	Semi-Annual	07/30/2027
07/01/2027	12/31/2027	Semi-Annual	01/30/2028
01/01/2028	06/30/2028	Semi-Annual	07/30/2028
07/01/2028	09/30/2028	Final	01/28/2029

## Appendix B: Recommended Subrecipient Monitoring

Program Coordinator



## Appendix C: Allotment Advice Copy

OMB Federal Allotment Advice Form 2025.xlsx

Department:  
Account Name:  
C.F.D.A. No.:  
Grant Award No.:  
Project Number:

Allotment Request No: XX  
Performance Period: 10/01/20\*\* - 09/30/20\*\*  
Total Approved Grant Award: \$ 1.00

CLASS CODE	OBJECT CLASSIFICATION	APPROVED BUDGET	Budget Changes			TOTAL CHANGES TO DATE	TOTAL ISSUED TO DATE
			1	2	3		
<b>a. SALARIES AND WAGES</b>							
61000	WAGES & SALARIES					0.00	0.00
61010	OVERTIME COMPENSATION					0.00	0.00
<b>b. FRINGE BENEFITS</b>							
62000	FICA CONTRIBUTION					0.00	0.00
62010	MEDICARE CONTRIBUTION					0.00	0.00
62100	401K EMPLOYER CONTRIBUTION					0.00	0.00
62101	RETIREMENT CONTRIBUTIONS					0.00	0.00
62200	HEALTH INSURANCE PREMIUM					0.00	0.00
62211	PERSONNEL INSURANCE					0.00	0.00
62300	WORKMEN'S COMPENSATION					0.00	0.00
62500	SUBSISTENCE-HOUSING					0.00	0.00
<b>c. Total Personnel Costs (a - b)</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>d. EQUIPMENT</b>							
65040	FURNITURE & FIXTURES					0.00	0.00
66035	OFFICE EQUIPMENT					0.00	0.00
66040	MACHINERY, TOOLS & EQUIP					0.00	0.00
66060	VEHICLES					0.00	0.00
66065	VEHICLES HEAVY EQUIPMENT					0.00	0.00
66070	TECHNOLOGY EQUIP					0.00	0.00
<b>e. SUPPLIES</b>							
65000	OFFICE SUPPLIES					0.00	0.00
65010	OPERATIONAL SUPPLIES					0.00	0.00
65030	FUEL & LUBRICATE					0.00	0.00
65800	BOOKS AND LIBRARY MATERIALS					0.00	0.00
<b>f. TRAVEL</b>							
64800	TRAVEL EXPENSES / ADVANCES					0.00	0.00
<b>g. CONSTRUCTION</b>							
66010	BUILDINGS					0.00	0.00
66020	IMPROVEMENTS					0.00	0.00
66050	INFRASTRUCTURE					0.00	0.00
66075	ELECTRICAL LIGHTING					0.00	0.00
66080	CONSTRUCTION					0.00	0.00
66085	ROADS, STREETS & BRIDGES					0.00	0.00
66090	ARCHITECTURAL/ENGINEERING					0.00	0.00
66094	DEMO & REMOVAL (NON-CIP)					0.00	0.00
<b>h. OTHER</b>							
63100	REPAIR AND MAINTENANCE					0.00	0.00
63200	PERSONNEL TRAINING COSTS					0.00	0.00
63300	CLEANING SERVICES					0.00	0.00
64040	LICENSES AND FEES					0.00	0.00
64080	DUES AND SUBSCRIPTIONS					0.00	0.00
64090	COMMUNICATIONS					0.00	0.00
64100	PRINTING AND PHOTOCOPYING					0.00	0.00
64110	ADVERTISING					0.00	0.00
65900	FREIGHT AND HANDLING					0.00	0.00
66095	CONTINGENCIES (NON-CIP)					0.00	0.00
69100	SCHOLARSHIPS AND GRANTS					0.00	0.00
69300	GRANT ASSISTANCE					0.00	0.00
64060	UTILITIES					0.00	0.00
<b>i. CONTRACTUAL</b>							
63000	PROFESSIONAL SERVICES					0.00	0.00
64700	RENTAL-VEHICLES					0.00	0.00
64710	RENTAL-HOUSING					0.00	0.00
64720	RENTAL-OFFICES					0.00	0.00
64730	RENTAL-OFFICE EQUIPMENT					0.00	0.00
64740	RENTAL-HEAVY EQUIPMENTS					0.00	0.00
64790	RENTAL-OTHERS					0.00	0.00
<b>j. Total Direct Costs (c - i)</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>k. INDIRECT COSTS</b>							
69400	INDIRECT COST (w/ Utilities 7.5%)					0.00	0.00
69400	INDIRECT COST (w/o Utilities 32%)					0.00	0.00
<b>l. Total Approved Budget (sum of c, j, k)</b>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

REMARKS:

Approved by: \_\_\_\_\_ Reviewed by: \_\_\_\_\_ Certified by: \_\_\_\_\_

Name of Expenditure Authority  
Title of Expenditure Authority

Epiphania Cabrera  
Grants Administrator

Agnes C. Cepeda  
Supervisor, Federal Section

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

SF-CNMI OMB25-424A  
Prescribed by OMB\_CNMI EFF 4-14-2025