

Commonwealth of the Northern Mariana Islands (CNMI)

Department of Finance

**LEGISLATIVE SUBSISTENCE
ALLOWNANCE**

STANDARD OPERATING PROCEDURES



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SECTION 1: PURPOSE

The purpose of this document is to establish clear, consistent, and standardized guidelines for processing invoices related to the CNMI Legislature's monthly allowance within the Department of Finance's Travel Section. This SOP ensures that all payments are reviewed and processed in accordance with applicable CNMI laws, regulations, legislative rules, and internal control requirements.

Additionally, this SOP supports accurate financial reporting, timely and compliant vendor payments, and the responsible use of government funds by outlining uniform procedures for documentation, review, approval, and processing within the Munis Enterprise Resource Planning (ERP) system.

SECTION 2: BACKGROUND

The Department of Finance Accounts Payable Section is responsible for processing Employee Expense Claims for all government departments and agencies, including the CNMI Legislature. In recent years, increased financial oversight, audit findings, and evolving regulatory requirements have highlighted the need for greater consistency, accuracy, and compliance in the processing of subsistence allowance invoices.

To address these needs, the Department of Finance has developed this Standard Operating Procedure (SOP) to strengthen internal controls, ensure proper documentation, and promote accurate and timely recording of transactions within the Munis Enterprise Resource Planning (ERP) system. This SOP also aims to reduce delays in vendor payments by establishing clear expectations for documentation, verification, and workflow processes.

This document reflects current operational practices and legal requirements, including the use of valid tax clearances, proper invoice verification, and adherence to established roles and responsibilities across departments. By formalizing these procedures, the Department seeks to enhance accountability, improve audit readiness, and support the responsible management of public funds.

SECTION 3: SCOPE

This Standard Operating Procedure (SOP) applies to all activities, personnel, and transactions associated with the processing of subsistence allowance requests within the CNMI Legislature. Specifically, this SOP governs:

- All CNMI Legislative members, officers, and employees who request, review, approve, or process subsistence allowance claims
- All subsistence allowance requests charged to legislative funds, regardless of amount or purpose
- All requests submitted and processed through the Munis ERP Employee Expense Claim Module, including supporting documentation, approvals, and reconciliation activities

No subsistence allowance request shall be processed, approved, or paid outside of the Munis ERP system unless expressly authorized in writing by the appropriate authority. Any exception must be documented, justified, and retained for audit and compliance purposes.

This scope ensures uniform application of procedures, strengthens internal controls, and maintains transparency and accountability in the use of public funds.

SECTION 4: POLICY

1. **Submission Requirement:** All Subsistence Allowance requests shall be submitted exclusively through the Munis ERP Employee Expense Claim Module. Requests submitted outside the system will not be accepted or processed.
2. **Documentation and Public Purpose Requirement:** Each request must be fully documented, reasonable in nature, and directly related to official legislative duties. The accompanying memorandum must include a detailed breakdown of the intended use of funds and must clearly demonstrate that the expenditure meets public purpose requirements.
3. **Governmental Benefit Requirement:** All requests must establish a clear and legitimate governmental benefit. Personal, political, or otherwise non-allowable expenses are strictly prohibited and shall not be reimbursed.
4. **Incomplete or Insufficient Requests:** Requests that lack adequate documentation, justification, or required supporting evidence shall be deemed incomplete and will not be approved or processed. Additional information may be requested at the discretion of the reviewing authority.

5. **Review, Audit, and Compliance Oversight:** All expenditures submitted under this policy are subject to review, audit, and verification for compliance with applicable laws, legislative rules, and internal control standards. Non-compliance may result in denial of the request and may trigger further administrative action.

SECTION 5: DOCUMENTATION REQUIREMENTS

Each subsistence allowance request must be supported by complete, accurate, and verifiable documentation. The following items are required for every submission:

5.1 Munis Employee Expense Claim

A fully completed **Employee Expense (EE) Claim** must be submitted through Munis. All fields must be accurate, consistent with supporting documents, and reflective of the actual expenses incurred.

5.2 Legislative Memorandum (Memo)

A formal memorandum from the requesting legislative member must accompany each allowance request. The memo must include:

- The purpose of the allowance
- The dates and location(s) of the official legislative activity
- A detailed explanation of the legislative business conducted
- A certification that the request serves a valid public purpose and is not personal or political in nature

5.3 Detailed Breakdown of Funds

A clear and itemized breakdown of the requested funds must be provided, including:

- The type of expense (e.g., meals, lodging, transportation, incidental costs)
- Daily or itemized costs, where applicable
- The total amount requested for the period

5.4 Supporting Evidence

All expenses must be substantiated with appropriate supporting documentation. Acceptable forms of evidence include, but are not limited to:

- Original or scanned receipts
- Travel authorizations, itineraries, or agendas
- Meeting schedules, minutes, or official correspondence confirming legislative activity
- Any additional documentation necessary to demonstrate the legitimacy and public purpose of the expense

5.5 Certification of Accuracy and Compliance

The claimant must certify that:

- All information provided is true, complete, and accurate
- All expenses comply with applicable Senate or House Rules, CNMI laws, and public purpose requirements
- No personal or unallowable expenses have been included

All documentation must be clear, legible, and sufficiently detailed to allow an independent reviewer to understand the purpose, necessity, and appropriateness of the expense. Incomplete or unclear submissions may result in delays, requests for clarification, or denial of the allowance request.

SECTION 6: MONTHLY RECONCILIATION

Legislative members are required to certify and reconcile all monthly expenditures charged against their allowance within 30 days following the end of each month. This reconciliation ensures that all expenses are properly documented, allowable under legislative rules, and accurately reported in accordance with internal control and financial management requirements.

Each member must prepare a certified reconciliation schedule that details all expenditures incurred during the month, including any unused allowance balance. All supporting documentation—such as receipts, memos, and other required records—must accompany the reconciliation.

The certified reconciliation schedule and all supporting documents must be uploaded to the Travel and Claims Module (TCM) in Tyler Munis for each monthly allowance. Timely submission is essential to maintain compliance, support accurate financial reporting, and ensure transparency in the use of public funds.

SECTION 7: UNUSED ALLOWANCE BALANCE

Any portion of the monthly allowance that is not expended must be clearly reported on the reconciliation schedule for the applicable month. Members are required to disclose the unused balance in full and provide sufficient supporting information explaining the reason for the unspent amount.

The explanation must demonstrate that:

- The unused balance is accurate and properly calculated
- No personal, political, or otherwise unallowable expenses were incurred
- All expenditures charged to the allowance comply with legislative rules and public purpose requirements

Supporting information may include written statements, memos, or other documentation that substantiates why the allowance was not fully utilized. This requirement ensures transparency, strengthens internal controls, and maintains accountability in the use of public funds.

SECTION 8: ALLOWABLE EXPENSES AND SUPPORTING DOCUMENTS

All expenditures charged to the monthly allowance must comply with the allowable expense provisions outlines in the NMI Legislature Senate Rules and House Rules. Members are responsible for ensuring that all expenses serve a valid public purpose and adhere to the standards established by their respective chambers. Personal, political, or otherwise non-public expenditures are strictly prohibited.

Reference Documents:

- Senate Rules: [24-1 NMI Legislature - Senate Rules.pdf](#)
- House Rules: [24-1 NMI Legislature - House Rules.pdf](#)

All expenses submitted for reimbursement or reconciliation must be supported by adequate documentation that clearly substantiates the nature, purpose, and amount of the expenditure. Examples of acceptable supporting documents include, but are not limited to:

- Original receipts
- Copy of receipts when originals are unavailable
- Written letters or memos providing justification for payments, donations, or other expenditures made under the allowance

Supporting documents must be legible, itemized, and sufficient to demonstrate compliance with legislative rules and public purpose requirements.

SECTION 9: ALLOWANCE AMOUNTS

Monthly allowance amounts for members of the CNMI Legislature shall be administered in accordance with the NMI Legislative Senate and House Rules. The authorized maximum monthly allowance is as follows:

- Senate Member:
May request a monthly allowance of up to **\$5,000**
- House Member:
May request a monthly allowance of up to:
 - **\$5,000** for members representing the **1st and 2nd Senatorial District**
 - **\$2,500** for members representing the **3rd Senatorial District**

ALL monthly allowances must be expended within the month in which they are issued. Allowances are disbursed on a monthly basis and may not be advanced, carried forward, or used to prepay future expenses. Members are responsible for ensuring that all expenditures charged against the allowance comply with applicable legislative rules, serve a valid public purpose, and are supported by appropriate documentation.

SECTION 10: CREATING SUBSISTENCE ALLOWANCE EXPENSE CLAIM IN MUNIS

Step 1: Initiation

- The claimant logs into the **Munis ERP system**.
- Select the **Employee Expense Claim Module**.
- Creates a new Subsistence Allowance expense claim utilizing template code "**R-SUBSISTASSIST**", **MONTHLY SUBSIST ALLOWANCE (ADVANCE/REIMBURSEMENT)** with Claim Status as "**2 – Actual, Entering**".

Step 2: Data Entry

- Enter all required fields, including:

- Dates of expense
- Description of legislative activity
- Amount requested
- Attach all required supporting documentation electronically through Tyler Content Manager (TCM).

Step 3: Legislative Memorandum Attachment

- Upload a signed memorandum outlining:
 - Breakdown of funds
 - Explanation of public purpose
 - Certification of Funds (from Financial Services)

Step 4: Review and Approval

- The immediate supervisor or designated approving authority reviews the request for:
 - Completeness
 - Reasonableness
 - Public purpose compliance
- Requests may be rejected for correction or denied if non-compliant.

Step 5: Finance Processing

- Approved claims are routed to the Finance Office.
- Finance verifies:
 - Proper documentation
 - Availability of funds
 - Compliance with policies
- Claims are processed for payment through Munis ERP.

SECTION 11: REVISION/VERSION HISTORY

* This operating policy and procedures 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:	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 policy is to establish standardized procedures for requesting, documenting, reconciling, and approving monthly allowance expenditures for members of the CNMI Legislature. This policy promotes strong internal controls, ensures transparency, and supports compliance with the Legislature’s financial management requirements.

Version History:

Version Number	Version Date	Description of Change	Point of Contact
Version 1.0	02.01.26	Initial Release	SOF Office