

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

**Department of Finance**

**FISCAL YEAR-END CLOSING  
POLICIES AND PROCEDURES**



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## SECTION 1: INTRODUCTION

The fiscal year-end closing process is a critical component of the CNMI Government's financial management responsibilities. It ensures that all financial activities for the fiscal year are fully and accurately recorded, reconciled, and reported in compliance with applicable accounting standards, statutory requirements, and internal policies. A disciplined year-end close promotes transparency, accountability, and sound stewardship of public resources.

This process also supports timely preparation of the CNMI Government's annual financial statements and other required reports. By completing all closing activities within established timelines, the Department of Finance helps ensure that stakeholders – including policymakers, federal partners, auditors, and the public – can rely on accurate and complete financial information when making decisions.

A thorough year-end close further enables the CNMI Government to identify and resolve discrepancies, strengthen internal controls, and improve the accuracy, reliability, and integrity of its financial data. Consistent application of these procedures enhances operational efficiency and supports compliance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) requirements, and federal grant regulations.

## SECTION 2: OBJECTIVES

The objectives of the fiscal-year end closing process are as follows:

1. **Accurate Recording of Transactions:** Ensure all financial transactions are recorded in the correct fiscal year based on the timing of the underlying events. This includes verifying that revenues, expenditures, encumbrances, and adjustments are properly classified and supported by adequate documentation.
2. **Account Reconciliation and Accuracy:** Reconcile all general ledger accounts, subsidiary ledgers, and supporting schedules to confirm that balances are complete, accurate, and reflective of the CNMI Government's true financial position. This includes identifying and resolving discrepancies before the close of the fiscal year.
3. **Compliance with Accounting Standards and Regulations:** Maintain full compliance with Generally Accepted Accounting Principles (GAAP), GASB standards, Uniform Guidance (2 CFR 200), and other applicable governmental accounting requirements. Adhering to these standards promotes transparency, accountability, and consistency in financial reporting.

4. **Year-End Closing and Balance Transfer:** Properly close the fiscal year in the financial management system and ensure accurate transfer of balances – including encumbrances, continuing appropriations, and fund balances - to the new fiscal year. This preserves continuity and integrity in the government’s financial records.
5. **Support for Timely Financial Reporting:** Facilitate the timely preparation of annual financial statements, audit schedules, and other required reports by ensuring that all year-end activities are completed within established deadlines.

## SECTION 3: POLICY STATEMENTS

- (a) **Commencement of Year-End Closing Process:** The year-end closing process shall begin on **August 1<sup>st</sup>** of each year to allow sufficient time for all required procedures and reconciliations. The Month-end Manager in Tyler Munis will serve as a reference to monitor outstanding items and unposted transactions, ensuring financial data is accurate and up to date. Timely completion of month-end tasks supports an efficient year-end close and strengthens the integrity of the financial statements. Division and Section Managers are responsible for communication required action items to the appropriate staff.
- (b) **Open New Fiscal Year Settings:** Year-end reports and system setting updates must be completed no later than **October 1<sup>st</sup>**. Required tasks include:
  - Year-End Reports: Depreciation schedule, AP/AR aging reports, trial balance, and other relevant financial reports.
  - System settings: Updating beginning-year numbers (e.g., purchase requisitions), default periods, and other system configurations necessary for the new fiscal year.
- (c) **Blackout Period:** A Blackout Period will be established to restrict transaction processing during the final stages of the year-end closing. The Secretary of Finance Office will issue a formal memorandum ‘Blackout Period Memo’ to all department heads outlining the dates, restrictions, and expectations during this period.
- (d) **System Restrictions:** During the final closure of the fiscal year (typically 1-5 days), the Secretary of Finance Office will impose system restrictions in Tyler Munis to prevent additional posting or transactions. These controls ensure the accuracy and integrity of year-end financial data.
- (e) **Final Closing Date:** The final year-end closing must be completed no later than **November 30<sup>th</sup>** of each year. All reconciliations, journal entries, and financial reports must be finalized, reviewed, and approved by this date. After November 30, any year-end adjustments must be routed to the Secretary of Finance Office – Audit Team for review and approval.

- User access will be restricted to the Secretary of Finance Audit Team during this period.
- (f) **Post-Closing Adjustments (Period 13 Adjustments):** All adjustments or corrections to the financial records must be identified, processed, and resolved by **December 31<sup>st</sup>**. This ensures that all outstanding issues are addressed, and that financial reporting remains complete and accurate.
- (g) **Audit Adjustments:** Audit adjustments must be completed 10 months after the Period 13 deadline (December 31<sup>st</sup>). This timeline ensures that all necessary adjustments and corrections identified during the audit process are finalized and incorporated into the financial records before the annual financial statements are submitted. In the event the CNMI Government's audit is delayed, the audit adjustments should be posted promptly once the audit results are available.

## SECTION 4: ROLES AND RESPONSIBILITIES

1. **Secretary of Finance Office:** The Secretary of Finance office is responsible for overseeing the year-end closing process. This includes ensuring the proper execution of reconciliations, review and approval of journal entries, and the final preparation of financial reports. The office ensures that all activities are aligned with accounting standards and government regulations.
2. **All Department of Finance (DOF) Divisions:** The DOF Divisions are responsible for executing the day-to-day year-end closing procedures. This includes performing reconciliations, generating accurate financial reports, posting necessary journal entries, and ensuring that the financial statements are prepared in compliance with applicable standards. Each division is also responsible for communicating any issues or discrepancies to relevant stakeholders. *Refer to the Year-End Closing Checklist (Munis) and Adjusting Entries file mentioned in Section 5.*
3. **Department/Agency Heads:** Department/Agency heads are responsible for ensuring their respective departments complete all required financial tasks in a timely manner, in accordance with DOF policies. This includes providing transactions, invoices, payroll data, and other necessary documentation before the year-end deadline. Additionally, they must verify the accuracy and completeness of the data submitted by their teams.
4. **Year-End Closing Team:** The Year-End Closing Team consists of designated Department of Finance employees responsible for coordinating the year-end closing process. This team will assist in executing specific tasks, such as ensuring all necessary accounts are reconciled, supporting the preparation of financial statements, addressing discrepancies, and ensuring a smooth transition from the current fiscal year to the new one.

## SECTION 5: YEAR-END CLOSE PROCEDURES


The Secretary of Finance (SOF) Office will execute the year-end closing process using the ‘Year-End Manager’ module in the Tyler Munis system. This module streamlines and accelerates the closing process by automating key tasks, ensuring compliance with accounting standards, and generating the required financial reports.

Key activities within the year-end process will be managed by the designated personnel. The tasks and responsibilities associated with each activity are assigned to the contacts listed below.

NO.	YEAR-END TASK	DEPT. ASSIGNED TO	DEPT. CONTACT
1	Year-End Adjusting Entries	SOF Office	Senior Financial Analyst
2	General Ledger Preparation	SOF Office	Senior Financial Analyst
3	Next Year Journal Number	SOF Office	Senior Financial Analyst
4	Purchasing Preparation	SOF Office	Senior Financial Analyst
5	Accounts Receivable Charge Codes	SOF Office	Senior Financial Analyst
6	Requisition Search for YEC	SOF Office	Munis - ERP Systems Analyst
7	Open Purchase Orders and Change Orders	SOF Office	Munis - ERP Systems Analyst
8	Contract Review - Year-end Manager - Contract Change Order	SOF Office	Munis - ERP Systems Analyst
9	Asset Depreciation	SOF Office	Munis - ERP Systems Analyst
10	Post All "New Assets" for Fiscal Year	SOF Office	Munis - ERP Systems Analyst
11	Unposted Transactions	SOF Office	Munis - ERP Systems Analyst / Internal Auditor
12	Account Management	SOF Office	Senior Financial Analyst
13	Fund Level Validation	SOF Office	Senior Financial Analyst
14	Post to Master for Reports	SOF Office	Senior Financial Analyst
15	Close Current Fiscal Year	SOF Office	Senior Financial Analyst
16	Year-End Trial Balance	SOF Office	Senior Financial Analyst
17	Open New Fiscal Year	SOF Office	Senior Financial Analyst
18	Update Purchase Settings	SOF Office	Senior Financial Analyst
19	Update General Ledger Settings	SOF Office	Senior Financial Analyst
20	Update Employee Expense settings	SOF Office	Senior Financial Analyst
21	SEFA	SOF Office	Senior Financial Analyst
22	Full System Backup	OIT	Enterprise Software Manager
23	Budget Projection Overview	Office of Management & Budget	Senior Financial Analyst
24	Budget Completion	Office of Management & Budget	Senior Financial Analyst
25	Budget vs. Actual	Office of Management & Budget	Senior Financial Analyst
26	System Account Reconciliation	Financial Services	Financial Services Director
27	Encumbrance Reconciliation	Financial Services	Financial Services Director
28	Encumbrance Reports	Financial Services	Financial Services Director
29	Payroll Liability Reports	Financial Services	Payroll Manager
30	AP Aging Report	Financial Services	Accountant IV
31	AR Aging Report	Financial Services	Federal Section Manager / Accountant I

## SECTION 6: REVISION/VERSION HISTORY

### Revision History

Originator:	Department of Finance, Office of the Secretary
Effective Date:	05/01/26
Approved By:	Tracy B. Norita, Secretary of Finance
Approval Signature:	
Procedure Purpose:	To document and standardize the procedures and responsibilities for the fiscal year-end closing process, ensuring accurate and reliable financial reporting, adherence to applicable accounting standards, and effective preparation for future financial planning.

### Version History:

Version Number	Version Date	Description of Change	Point of Contact
<i>Version 1.0</i>	<i>07/07/25</i>	<i>Initial Release</i>	<i>JDLG</i>
<i>Version 2.0</i>	<i>05/01/26</i>	<i>Update Section 3, policy statements and key dates</i>	<i>JDLG</i>