

Commonwealth of the Northern Mariana Islands (CNMI)

Department of Finance

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



TABLE OF CONTENTS:

SECTION 1: Introduction Page 3

SECTION 2: Objectives Page 3

SECTION 3: Policy Statements Page 3

SECTION 4: Roles and Responsibilities Page 4

SECTION 5: Year-End Close Procedures Page 5

SECTION 6: Revision/Version History Page 6

SECTION 1: INTRODUCTION

The purpose of the year-end closing process is to ensure all financial transactions for the year are accurately recorded, reconciled, and reported in full compliance with applicable accounting standards and regulations. This process fosters transparency and accountability, enabling stakeholders to make informed decisions based on the CNMI Government's financial health. By conducting a thorough and diligent year-end closing, the CNMI Government can also identify and correct any discrepancies, thereby enhancing the reliability and accuracy of its financial data.

SECTION 2: OBJECTIVES

1. **Accurate Recording of Transactions:** To ensure all financial transactions are recorded in the correct fiscal year, aligning with the timing of the events.
2. **Account Reconciliation and Accuracy:** To reconcile all accounts and verify that balances are accurate and reflect the true financial position of the CNMI Government.
3. **Compliance with Accounting Standards:** To ensure full compliance with Generally Accepted Accounting Principles (GAAP) or other relevant governmental accounting standards, ensuring transparency and accountability in financial reporting.
4. **Year-End Closing and Balance Transfer:** To accurately close out the current fiscal year and ensure the proper transfer of balances to the new fiscal year, maintaining continuity and integrity in the financial records.

SECTION 3: POLICY STATEMENTS

- (a) *Commencement of Year-End Closing Process:* The year-end closing process shall begin no later than the first week of August to allow sufficient time for all necessary procedures and reconciliations to be completed before the close of the fiscal year. As part of the preparation for year-end closing, the month-end closing process (Month-End Manager – Tyler Munis) must be completed for each month leading up to the year-end. This ensures all financial data is accurate and reconciled. The timely completion of month-end tasks will help streamline the year-end closing process and support the integrity of the year-end financial statements.
- (b) *Blackout Period:* A Blackout Period will be established to restrict processing transactions during the final stages of the year-end closing. The Secretary of Finance Office will prepare and disseminate the 'Blackout Period' memo to all department heads, clearly outlining the dates and restrictions during this period.
- (c) *System Restrictions:* The Secretary of Finance Office will initiate system restrictions during the first week of November by placing a hold on the Tyler Munis system. This will prevent any further postings or transactions during the blackout period, ensuring the integrity of the year-end data.

- (d) *Final Closing Date*: The final year-end closing must be completed no later than November 30 of each year. All reconciliations, journal entries, and financial reports must be finalized and approved by this date.
- (e) *Post-Closing Adjustments (Period 13 Adjustments)*: Any adjustments or corrections to the financial records must be identified, addressed, and resolved by December 31st. This ensures the finalization of any outstanding issues and supports accurate financial reporting. Additionally, all year-end adjustments must be routed to the Secretary of Finance Office for review and approval.
- (f) *Audit Adjustments*: Audit adjustments must be completed 10 months after the Period 13 deadline (December 31st). 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 by utilizing the ‘Year-End Manager’ module in the Tyler Munis system. This module is designed to simplify and accelerate the year-end closing process for the CNMI Government by automating essential tasks, ensuring compliance with accounting standards, and generating the necessary financial reports.


The key activities in the year-end process will be managed by the relevant personnel, and the following tasks and responsibilities have been assigned to the contacts listed below.

NO.	YEAR-END TASK	DEPT. ASSIGNED TO	DEPT. CONTACT
1	General Ledger Preparation	Secretary of Finance	Senior Financial Analyst
2	Next Year Journal Number	Financial Services	Munis - ERP Systems Analyst
3	Purchasing Preparation	Procurement Services	Munis - ERP Systems Analyst
4	Accounts Receivable Charge Codes	Secretary of Finance	Senior Financial Analyst
5	Budget Projection Overview	Secretary of Finance	Senior Financial Analyst
6	Open Purchase Orders and Change Orders	Financial Services	Munis - ERP Systems Analyst
7	Contract Review	Financial Services	Munis - ERP Systems Analyst
8	Unposted Transactions	Financial Services	Munis - ERP Systems Analyst
9	Account Management	Secretary of Finance / Financial Services	Senior Financial Analyst / FS Director
10	Account Reconciliation	Secretary of Finance / Financial Services	Senior Financial Analyst / FS Director
11	Encumbrance Reconciliation	Financial Services	Munis - ERP Systems Analyst
12	Fund Level Validation	Secretary of Finance	Senior Financial Analyst
13	Encumbrance Reports	Financial Services	Munis - ERP Systems Analyst
14	General Ledger Reports	Secretary of Finance	Senior Financial Analyst
15	Post to Master for Reports	Secretary of Finance	Senior Financial Analyst
16	Close Current Fiscal Year	Secretary of Finance	Senior Financial Analyst
17	Year-End Trial Balance	Secretary of Finance	Senior Financial Analyst
18	Open New Fiscal Year	Secretary of Finance	Senior Financial Analyst
19	Budget Completion	Secretary of Finance	Senior Financial Analyst
20	Update Purchase Settings	Procurement Services	Munis - ERP Systems Analyst
21	Unapproved AP Invoices FY2023	Financial Services	Munis - ERP Systems Analyst
22	Calculate Asset Depreciation	Financial Services / Procurement Services	Munis - ERP Systems Analyst / Senior Financial Analyst
23	Requisition Search for YEC	Financial Services / Procurement Services	Munis - ERP Systems Analyst
24	Post All "New Assets" for Fiscal Year	Procurement Services	Procurement Supply Technician
25	Update AR Charge Codes	Secretary of Finance	Senior Financial Analyst
26	SEFA	Secretary of Finance	Senior Financial Analyst

Refer to the [‘Year-End Closing Checklist - Assigned Task List’](#) file for additional information on each tasks.

SECTION 6: REVISION/VERSION HISTORY

Revision History

Originator:	Department of Finance, Office of the Secretary
Effective Date:	07/07/25
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 to ensure accurate financial reporting, compliance with accounting standards, and 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>