



Commonwealth of the Northern Mariana Islands DEPARTMENT OF FINANCE



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DIRECTORY



finance.gov.mp



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FY 2020: CITIZEN-CENTRIC REPORT

VISION

"Driving practical, cost-effective, and quality outcomes across government to benefit the people of the Commonwealth of the Northern Mariana Islands"

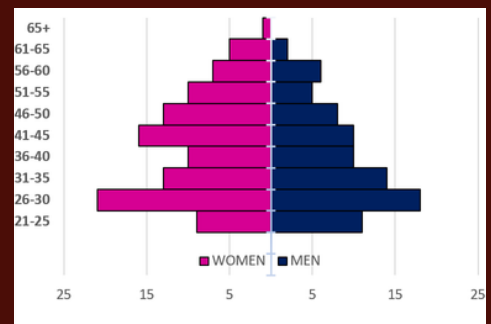
MISSION

To continue to seek out new and innovative ways to effectively administer the financial needs and requirements of the CNMI government:

1. Collect, deposit, disburse, manage, and account or public funds in accordance with the CNMI Statutes.
2. Enforce CNMI Tax Laws, other applicable laws, and customs regulations by encouraging voluntary compliance or, as needed by enforcement.
3. Exercise general supervision and accountability of government asset, and provide resources needed by the accomplishment of their mission.

OUR TEAM

SAIPAN - TINIAN - ROTA



DEPARTMENT OF FINANCE

OFFICE OF THE SECRETARY

David Atalig
Secretary of Finance





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FISCAL YEAR 2020: CITIZEN-CENTRIC REPORT

CNMI TREASURY

The CNMI Treasury is responsible for the receiving and safekeeping of all revenues coming in to the CNMI Government. Its mission is to pursue effective revenue enhancement programs to monitor, control, audit, and invest government funds.

The following data reflects all checks and electronic fund transfers facilitated by the CNMI Treasury for Fiscal Year 2020:

SOURCE	NO. OF TRANSFERS
General Fund	11,123
Federal Fund	6,906
CIP	116
Tax/Stimulus - Checks	39,915
Tax/Stimulus - ACH	5,992

DIVISION OF CUSTOMS SERVICES

The Division of Customs Service is responsible for the facilitation of trade, collection of revenue through the enforcement of excise taxes on imported goods and indentifying and seizing prohibited (contraband) items imported to and exported from the CNMI.

The following data provides a glimpse of the Division of Customs Services effort in line with its mission to safeguard our borders:

CONTROLLED SUBSTANCE

CRYSTAL METH	1,072.71g
MARIJUANA	1,492.80g
THC POWDER	23.6g
OTHER	317.5 pcs.
HALLUCINOGENS	39 pcs.

UNDECLARED/UNDERVALUED

APPAREL	419 pcs.
ELECTRONICS	85 pcs.
HOUSEHOLD ITEMS	588 pcs.
COSMETICS	585 pcs.
LIQUOR	3,466 bottles
CIGARETTES	2,305 packs
PHARMACEUTICALS	5,800 pcs.

COUNTERFEIT ITEMS

APPAREL	3,420 pcs.
FOOTWEAR	230 pairs
BAGS & etc.	151 pcs.

DIVISION OF REVENUE & TAXATION



The Division of Revenue & Taxation provide taxpayers assistance in understanding and meeting their tax responsibilities while enforcing the law.

In Fiscal Year 2020, the Division of Revenue & Taxation launched an online tax filing and payment service platform via <https://lata.localgov.org>. Additionally, the division assisted in the release of approximately \$51M Economic Impact Payments (Stimulus) to thirty-three thousand taxpayers and conducted a comprehensive update on its regulations.

COMPLIANCE

Tax Rebates/Refund	\$4.8M
Child Tax Refunds	\$8.8M
Education Tax Credit	\$99.8K

BUSINESS LICENSE

New Applications	533
Renewals	3,163
Amendments	391

COLLECTIONS

Installment Agreements	86
Tax Liens Filed	39
Tax Levies Filed	16
Cashiers Transaction	67,090

TECHNICAL RESEARCH

Disclosure Requests	31
Social Security Validation	97,160
Certifications/Recertifications	80

EXAMINATION

Case Closed	2
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DIVISION OF PROCUREMENT SERVICES

To promote the general supervision and accountability of the requisition and provision of government assets and contracts needed by the government to provide public services across departments and agencies within the CNMI government.

PROCESSED

Invitation to Bid	110
Request for Proposal	32
Purchase Orders	10,497

INVENTORY/RECON

In-house Inventory	40
Reconciled Inventory	40
Random Audits	12



PASSPORT OFFICE



CATEGORIES

Minor passport	825
Adult passport	1,304
Minor card	97
Adult card	177
Expedite	356
Execution	1,751

SAIPAN

25
15
2
1
0
33

TINIAN

31
32
2
3
1
33

ROTA

31
32
2
3
1
53

DIVISION OF INFORMATION TECHNOLOGY SERVICES

To implement, maintain, secure, and provide technical support to the financial management system and other network systems of the CNMI Government.





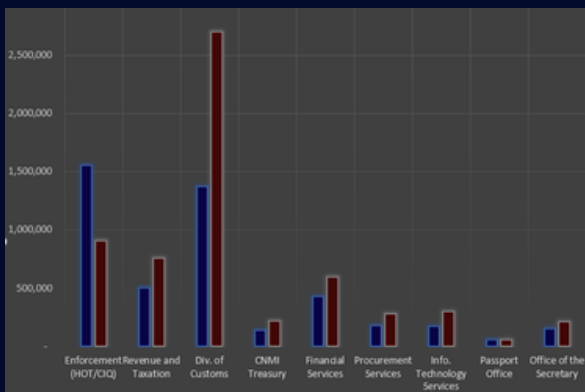
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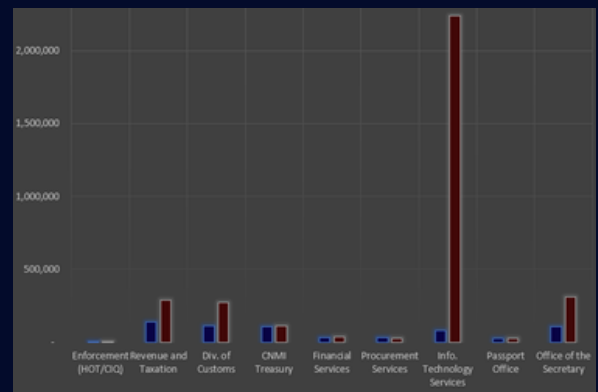


FY 2020: PERSONNEL



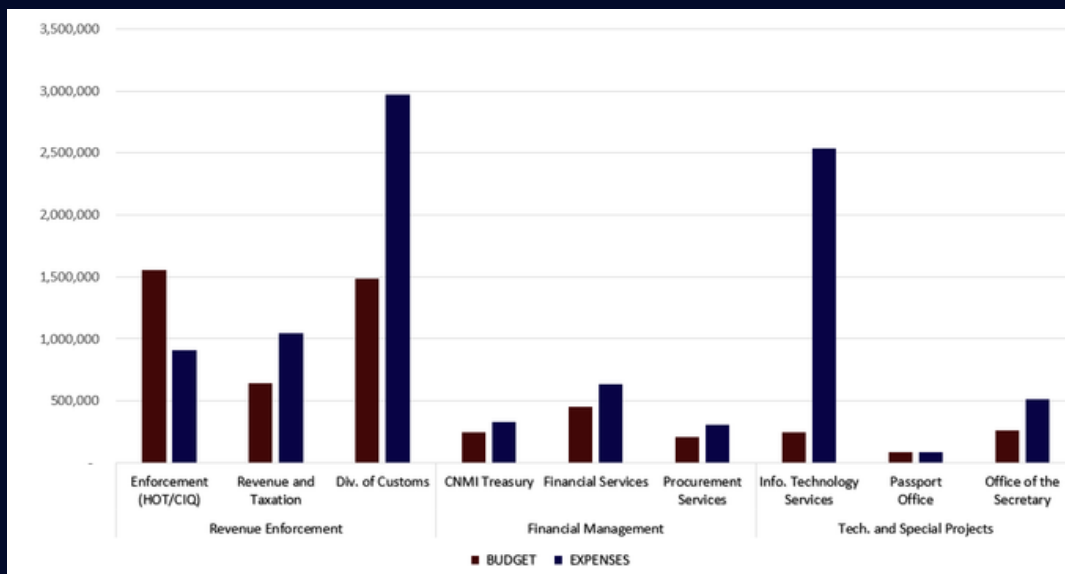
Public Law (PL) 21-08 allotted the CNMI Department of Finance \$5,363,486.00 for personnel cost. This amount was later reduced by approximately 48% pursuant to a budget act amendment, forcing the CNMI Department of Finance personnel expense into a deficit.

FY 2020: OPERATIONS



PL 21-08 provided the CNMI Department of Finance \$1,218,940.00 for operations and utilities, this amount was also reduced by approximately 48%. Due to previously encumbered expenses prior to the budget reduction, software license renewals, and network infrastructure modifications the expenses surpassed the remaining budget.

FINANCIAL PERFORMANCE BUDGET VS. EXPENSES





Challenges & Opportunities



FINANCIAL MANAGEMENT

The CNMI Department of Finance's (DOF) Financial Management System is unable to provide the capacity necessary to adapt to the evolving needs for accurate and efficient financial processes, and strengthened internal controls. Unfortunately, our current network infrastructure is unable to withstand these significant technological changes with current funding levels. Nevertheless, In Fiscal Year 2020, the CNMI-DOF took strides toward the acquisition and implementation of a new financial management system to address current and future capacity demands while improving efficiency in the management and accountability of government resources.



ONLINE TRANSACTIONS

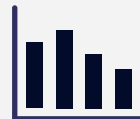
In an effort to adapt to the "new normal" necessary to safeguard our community from the spread of the deadly COVID-19 disease, the need to utilize online platforms are greater than ever.

On Fiscal Year 2020, the CNMI Department of Finance launched several online portals to host application processes including tax filings. Additionally, the CNMI Treasury installed kiosks, promoted automated clearing house (ACH) transactions, and utilized available online banking features for improved efficiency, while adhering to CNMI social distancing protocols and guidance. Although we remain fiscally challenged, the Department of Finance is determined to pursue wider implementation of online transactions for efficient administration of public services.



TRAINING

In response to the present challenges and difficulties in off-island travel, the CNMI Department of Finance has placed great emphasis on continuing the professional development of our staff through online training opportunities and continuing education platforms.



REVENUE SOURCES

The CNMI is currently experiencing its most severe contraction of government revenue in generations caused by the immediate and global spread of COVID-19. This has and is anticipated to continue to present serious and complex challenges to the collection and management of public funds. The near elimination of tourism arrivals has caused the sole economic industry in the CNMI to collapse, impacting government revenue streams across categories. The magnitude of this crisis globally and domestically is unprecedented, and projecting the extent and duration of this pandemic is challenging. Yet, we must adapt and respond to the fiscal challenges presented by this crisis and work toward the improvement of our financial management framework to safeguard the resources necessary for our public service.



REGULATIONS

As the needs of the CNMI government and the public services provided to the community, a consistent review and revision of CNMI Department of Finance Regulations needs to be undertaken. These regulatory reviews and amendments must ensure our system keeps pace with evolving best practices in government financial management and is adaptable to the changing circumstances in the coming years.



PERSONNEL

Following the Fiscal Summit on March of 2020, large number of Department of Finance employees were furloughed as part of the government-wide cost mitigation effort. Unfortunately, the current financial system in place requires significant number of personnel to maintain its daily processes. With the reduction in workforce, remaining employees were forced to shoulder additional responsibilities. These responsibilities have been increased with the needed response to COVID-19. Furloughs have strained the Department's already limited capacity, but have become necessary in the current fiscal environment.