

BOARD OF FINANCE

BOF 1. Draw Down Reimbursement Requests

1. The Board of Finance (BOF) recommends agencies should establish a cutoff date prior to June 30th for processing capital expenditure reimbursements related to Severance Tax Bonds and/or General Obligation Bonds in order to submit fiscal year 2023 draw requests to BOF **by 5:00 p.m. on July 21, 2023**, for processing and funding in fiscal year 2023. This deadline will provide BOF and DFA-ASD adequate time to review and process requests, to comply with 2.61.3 NMAC.
2. Any payments that did not make the agencies established cut off date will use the procedure below for booking the subsequent accrual of grant expenditure at the agency level:
 - a. The submitting agency will accrue the expenditure for the grant for June 30:
 - i. Dr. Grant Expenditure Cr. Accounts Payable
 - b. The submitting agency will reverse the accrual on July 1:
 - i. Dr. Accounts Payable Cr. Grant Expenditure
 - c. The submitting agency will process the accrued expenditure and drawdown with the usual process in FY2024. Steps a, b and c taken together will properly allocate the expenditures and cash transactions in the correct reporting periods. *EXCEPTION: for capital projects that have expired on June 30 and will revert, any discrepancies between the reported reversion balance discussed below in part 1 of section BOF 2 that will require additional amounts of expenditure accrual will need to be requested and approved by BOF on or before September 22, 2023. Amounts that have reverted to the State Treasurer's Office will not be returned.*
 - d. There will be no accrual for the operating transfer. Draw will be processed in the next fiscal period using the usual entries. (FY2024, fiscal period 1: July 2023)
 - i. BOF Dr Operating Transfer Out BOF Cr. Cash
 - ii. Agency Dr. Cash Agency Cr. Operating Transfer In
 - e. Please use the standardized note provided in Attachment A for your Financial Statements when this occurs to document the effect on the fund balance that occurs when the expenditure accrual creates a temporary deficit. This is a naturally occurring timing difference that occurs routinely that is only noticeable when the year-end closes.
 - f. This process will enable the statewide ACFR to properly gather all of the bonded debt and related capital projects with no reconciling amounts.

Note: Any draws not submitted by July 21st for FY23 payments will be processed in the next fiscal year (FY24).

Note: *For independent auditors and Governmental Accounting Standards Board documentation regarding the handling of this procedure please refer to GASB 34 Paragraph 112b Reporting Interfund Activity—Nonreciprocal interfund activity. Please note that GASB defines operating transfers as other financing sources and uses, not as revenue (available and measurable does not apply).*

BOF 2. Bond Proceed Reversions

1. The Board of Finance will provide a year-end report on June 15, 2023, detailing appropriations reverting on June 30, by agency, bond series, expenditure amount AIPP amount, reversion amount and remaining balance for each agency which may be used as a reference. BOF will base the statewide reversions to the State Treasurer's Office based on your confirmation of the amount to be reverted. If there is no response from the agency that stipulates a different amount to be reverted, the amount disclosed in the year-end report will be the amount reverted.
2. Agencies must send fiscal year 2023 severance tax and general obligation bond proceed reversion requests to Board of Finance (BOF) by 5:00 p.m. on June 30, 2023, to receive final approval by BOF before end of year deadline of June 30, 2023. This deadline will provide BOF and DFA-ASD adequate time to review and process all requests. This deadline is being moved up from past years to assist in making sure we receive accurate estimates of the final cash needed to cover any remaining expenditures prior to reverting funds.