

# Your Grant Agreement & Year-End Policy Updates



**New Mexico**  
**Department of Finance  
and Administration**

# AGENDA

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Year-End Policy Updates



# OVERVIEW OF YOUR GRANT AGREEMENT

- A grant agreement is a legal contract between a grantor (NM DFA) and a grantee (your organization), outlining terms for utilizing grant funds.
- It ensures transparency, accountability, and compliance with regulations in infrastructure development.



## PURPOSE OF GRANT AGREEMENTS

- Ensure proper allocation and utilization of public funds for infrastructure projects.
- Establish clear guidelines and responsibilities for both parties involved.
- Facilitate effective project management and successful project outcomes.

# KEY COMPONENTS OF THE GRANT AGREEMENT TEMPLATE

1. Legislative Language
2. Budget Allocation
3. Arts In Public Places
4. Reporting Requirements
5. Compliance Standards

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
GENERAL FUND 93100 CAPITAL APPROPRIATION PROJECT

**THIS AGREEMENT** is made and entered into as of the date it is executed, by and between the Department of Finance and Administration, hereinafter called the "Department" or abbreviation such as "DFA/LGD", and **CITY OF ALBUQUERQUE**, hereinafter called the "Grantee". This Agreement shall be effective as of the date it is executed by the Department.

**RECITALS**

**WHEREAS**, in the **Laws of 2024, Chapter 66, Section 28, Paragraph 1**, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

**WHEREAS**, the Department is granting to Grantee, and the Grantee is accepting the grant of, funds from this appropriation, in accordance with the terms and conditions of this Agreement; and

**WHEREAS**, pursuant to Sections 9-6-5 and 9-6-5.1 NMSA 1978, the Secretary of the Department of Finance and Administration has the power and the authority to (i) maintain long-range estimates and plans for capital projects and develop standards for measuring the need for, and utility of, proposed projects; (ii) contract for, receive and utilize any grants or other financial assistance made available by the United States government or by any other source, public or private; (iii) provide planning and funding assistance to units of local government, council of government organizations, Indian tribal governments situated within New Mexico, and to nonprofit entities having for their purpose local, regional or community betterment; (iv) incident to any such programs, may enter into contracts and agreements with such units of local government, council of government organizations, Indian tribal governments, nonprofit entities and the federal government; and (v) delegate such authority to the Local Government Division as being necessary and appropriate to such delegation;

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

**ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE**

A. The project that is the subject of this Agreement is described as follows:

**24-12643                      \$100,000.00                      APPROPRIATION REVERSION DATE: June 30, 2028**

Laws of 2024, Chapter 66, Section 28, Paragraph 1, One Hundred Thousand (\$100,000.00), from the General Fund 93100 to plan, design, construct, equip and upgrade shade structures at Barstow, Desert Ridge Trails and Rancho de Palomas parks in Albuquerque in Bernalillo county;

The Grantee's total reimbursements shall not exceed One Hundred Thousand \$100,000.00 (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")<sup>1</sup>, if applicable, Zero \$0.00, which equals One Hundred Thousand \$100,000.00 (the "Adjusted Appropriation Amount").



The legislative language is provided by the grantee when applying for Capital Outlay funding through the Legislative Council Service (LCS). The LCS drafts the Capital Outlay Project Bill which includes:

- Amount of funding approved by the Legislators at each Legislative Session and signed by the Governor
- Assigned grant ID number
- Appropriation reversion date
- Year allocated and location in the actual Bill
- The language determines what the funding can be used for and what fund it is appropriated from, i.e., General Fund or Severance Tax Fund

# ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT & REVERSION DATE, FUND & AIPP

**24-I2643**

**\$100,000.00**

**APPROPRIATION REVERSION DATE: June 30, 2028**

Laws of 2024, Chapter 66, Section 28, Paragraph 1, One Hundred Thousand (\$100,000.00), from the General Fund 93100 to plan, design, construct, equip and upgrade shade structures at Barstow, Desert Ridge Trails and Rancho de Palomas parks in Albuquerque in Bernalillo county;

The Grantee's total reimbursements shall not exceed One Hundred Thousand \$100,000.00 (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")<sup>1</sup>, if applicable, Zero \$0.00, which equals One Hundred Thousand \$100,000.00 (the "Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

# ARTICLE I - OPTIONAL LANGUAGE

If Attachment A – Optional Language is added to your grant agreement, it may include requirements of special conditions or the need for a Fiscal Agent.

- Additional or more stringent requirements and conditions
- If added the optional language will prevail

All correspondence and submissions, must include the Project number.

- Notice of Obligations (NOOs)
- Payment Request (PR)
- Reports
- Email or other correspondence if referencing a specific project



## ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE (A)

- Funds may only be used for purposes within the scope of the project description.
- Grantee will be reimbursed for no more than appropriation amount.
- Notice of Obligation (NOO) must be submitted to project manager and approved prior to expending any funds.
- Expenditure must be made on or before reversion date with goods and services delivered prior to that date.
- Expenditures made pursuant to the State Procurement Code and execution of binding written obligations or purchase order with third party contractor.
- Submit pay requests in accordance with the procedures in Article IX of Grant Agreement.
- If capital assets acquired with project funds are sold, leased, or licensed to or operated by a private entity, this must be approved by the oversight entity.

## ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE (B, C, D)

Grantee is responsible for implementing all aspects of the project.

Grantee must provide all necessary qualified personal, material and facilities to implement the project – including project overruns.

Funds cannot be used for purposes other than what is specified in the Project Description.

Funds cannot be used for indirect project costs unless specified in the law language.



## ARTICLE III. NOTICE PROVISIONS AND GRANTEE AND DEPARTMENT DESIGNATED REPRESENTATIVES.

### Contact Information

Official Representative or Successor, i.e., County Manager, Mayor, Tribal Governor or President, etc.

Fiscal Officer or Fiscal Agent, i.e., CFO or designated Fiscal Agent

Department (State Agency) Project Manager

All notices, including written decisions, related to the grant agreement will be included in all correspondence.





## ARTICLE IV. REVERSION DATE, TERM, DEADLINE TO EXPEND FUNDS

Reversion Date: The grant agreement establishes a date by which Project funds must be expended by the grantee

Term: Effective as the date of execution by the Department.

Expenditure of Funds: Must be expended on or before the Reversion Date or early termination date.

Funds are *not* expended and an expenditure has *not* occurred as of the date they are encumbered by the Grantee pursuant to a contract or purchase order with a third party.

# ARTICLE V. EARLY TERMINATION



- Early Termination includes:
- Termination due to completion of the Project before the Reversion Date; or
- Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date; or
- Termination for violation of the terms of the Agreement; or
- Termination for suspected mishandling of public funds, including but not limited to, fraud, waste, abuse, and conflicts of interest.



## ARTICLE VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

The Department may choose to provide written notice to the grantee to suspend entering in to new and further obligations.

Written notice by Grantee -

Grantee will immediately suspend entering in to new or further NOOs.

The Department will suspend the issuance/approval of any new or further NOOs.

The Department may direct the grantee to implement a corrective action in accordance with Article VI (D).

# ARTICLE VII. AMENDMENT



The Grant Agreement shall not be altered, changed, or amended except by instrument in writing duly executed by both the parties.



*Must be requested and/or communicated in writing.*

# ARTICLE VIII. REPORTS

## DATABASE REPORTING

Quarterly reports are due on the last day of each quarter. Quarter end reporting periods are September 30th, December 31st, March 31st, and June 30th.

### ARTICLE VIII. REPORTS

#### A. Database Reporting

The Grantee shall report quarterly Project activity by entering such Project information as the Department and the Department of Finance and Administration may require, such information entered directly into a database maintained by the Department of Finance and Administration. Additionally, the Grantee shall certify on the Request for Payment form that updates have been maintained and are current in the database. The Grantee hereby acknowledges that failure to perform and/or certify updates into the database will delay or potentially jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of thirty (30) days' advance written notice of any changes to the information the Grantee is required to report.

Quarterly reports are due on the last day of each quarter. Quarter end reporting periods are September 30th, December 31st, March 31st, and June 30th.

Grantee is required to report quarterly Project activity by entering Project information as the state agency may require, such information entered directly into a database maintained by the Department of Finance and Administration. Currently the Capital Project Monitoring System (CPMS).

- Pay Request form requires grantees to certify that projects have been maintained and are current in the database.
- May jeopardize reimbursement if database if not updated as required.
- Written notice will be sent to grantee providing a minimum of 30 days notice if not in compliance with reporting requirements.
- Additional information and or inspection may be requested regarding the project as deemed necessary.

IV.



**Reporting Certification:** I hereby certify to the best of my knowledge and belief, that reporting is up to date; to include the accuracy of expenditures and grant balance, project status, project phase, achievements and milestones; and in compliance with the Grant Agreement.

# ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES

Grantee is required to submit a request for payment using form provided by the Department.

- Pay Request must contain proof of payment by the grantee showing expenditures are valid.
- The Grantee may be reimbursed for unpaid liabilities (Disbursement) only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department. Must follow approval process. Rules apply as stated in Article IX. A. (iii)
- Grantee must obligate 5% of the adjusted appropriation amount within six month of execution of the grant agreement. Must expend no less than 85% six month prior to the reversion date.

## Deadlines

Requests for Payments must be submitted by Grantee to the Department.

- Immediately as they are received by the Grantee but at a minimum thirty (30) days from when the expenditure was incurred, or liability of the Grantee was approved as evidenced by a paid invoice received by the Grantee from a third-party contractor or vendor; or
- Twenty (20) days from date of Early Termination; or
- Twenty (20) days from the Reversion Date.

## ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES (D)



If Grantee does not abide by the requirements in Article II and Article IX will result in the denial of the request for payment or will delay processing of payment.

\* The Department has the right to reject a payment request until it is satisfied that the expenditures are permissible, and that all backup information is included.

\* This includes compliance with the reporting requirement in the database (CPMS).

\* The Department's ability to reject any request for payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department due to Grantee's violation of their Grant Agreement.

# ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS; REPRESENTATIONS AND WARRANTIES

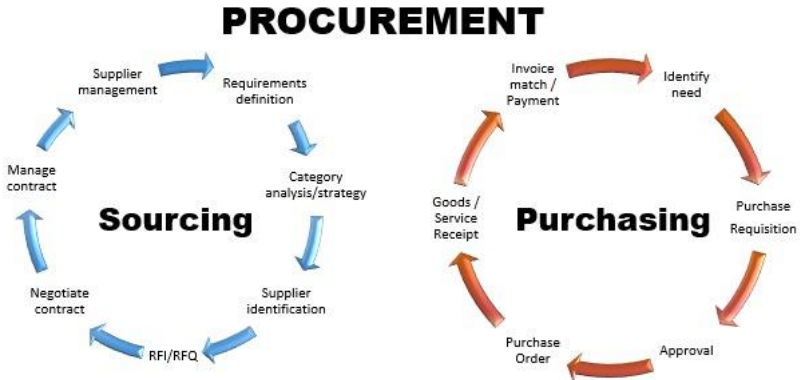
Project funds must be spent in accordance with all applicable state laws including the State Procurement Code.

Projects must be implemented in accordance with the NM Public Works Minimum Wage Act.

Project may only benefit private entities in accordance with applicable law, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico, the “Anti-Donation Clause.”

Grantee may not convert any property acquired, built, renovated, repaired, designed or developed with the Project’s funds to uses other than those specified in the Project Description for a period of 10 years. (Article X, A. (iv)).

Must comply with all federal and state laws, rules and regulations pertaining to equal employment opportunity.



# ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS; REPRESENTATIONS AND WARRANTIES



Grantee has legal authority to receive and expend the Project's funds.

Person executing the agreement has authority to do so and once executed, the agreement constitutes a binding obligation of the grantee.

Grantee's governing body must duly adopt or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign the Agreement and to sign Requests for Payment.

Grantee shall abide by New Mexico laws regarding conflicts of interest, governmental conduct and whistleblower protection.

No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee.

# ARTICLE XI. STRICT ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS; PROJECT RECORDS

Grantee is accountable for receipts and disbursements relating to the Project's funds.



The Grantee shall follow generally accepted accounting principles, and, if feasible, maintain a separate bank account or fund with a separate organizational code, for the funds to assure separate budgeting and accounting of the funds.

All records related to Project must be kept for a period of 6 years following the Project's completion.

Grantee must make all Project records available to the Department, the Department of Finance and Administration, and the New Mexico State Auditor upon request.



## ARTICLE XII. IMPROPERLY REIMBURSED FUNDS



If the Department determines that part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to, Project funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, or violation of this Agreement, the Grantee shall return such funds to the Department for disposition in accordance with law.



## ARTICLE XIII. LIABILITY



Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.



## ARTICLE XIV. SCOPE OF AGREEMENT



The Agreement constitutes the entire and exclusive agreement between the Grantee and Department concerning the subject matter hereof. The Agreement supersedes any and all prior or concurrent agreements, understandings, discussions, communications, and representations, written or verbal.

# ARTICLE XV. REQUIRED NON-APPROPRIATIONS CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

Grantee acknowledges, warrants, and agrees that Grantee shall include a “**non-appropriations**” clause in all contracts between it and other parties that are funded in whole or part by funds made available under this Agreement and entered into after the effective date of this Agreement that states:

## What does this mean?

- Grantee promises to add a "non-appropriations" clause to all contracts funded by this Agreement, stating that if funds aren't available, the contract can be canceled.
- Terms of Agreement are contingent upon sufficient appropriations and authorization being made by the NM Legislature.
- The Grantee may immediately terminate this agreement by giving Contractor written notice of the termination.
- The Grantee will determine if there's enough money to complete the project.
- If the Grantee ends the agreement early, the Contractor can't complain or ask for more money from the Grantee, Department, or State of New Mexico.

# ARTICLE XVI. REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

Grantee acknowledges, warrants, and agrees that Grantee shall include the following **termination clause** in all contracts that are funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

## What does this mean?

- The Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to the Grant Agreement.
- If Department ends grant early, Grantee can end contract early by written notice to Contractor.
- If terminated, Grantee is only liable for payment for goods and services delivered before termination.
- Grantee waives rights to claim impairment of contract against Department or State of New Mexico in case of early termination by Department.

# ARTICLE XVII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA

The grantee must submit all reports of annual audits and agreed upon procedures to the office of the State Auditor.

Entity must have a duly adopted budget for the current fiscal year approved by the LGD-Budget & Finance Bureau.

Must submit all required financial reports to the LGD-Budget & Finance Bureau.

Must have adequate accounting methods and procedures to expend grant funds.

Must account for and safeguard grant funds and assets acquired by grant funds.

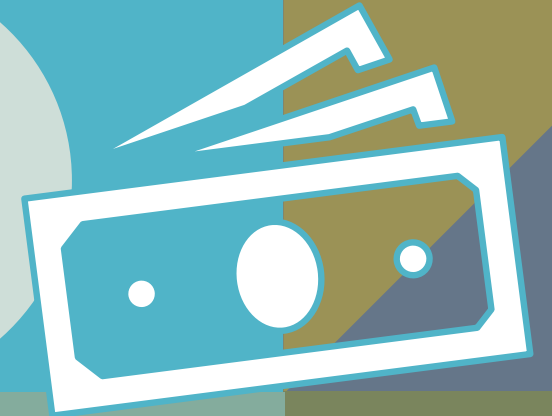
Consequences for not complying - grant agreement not issued, delay in issuing, or not receiving the agreement.

# ARTICLE XVIII. [IF THE APPROPRIATION IS FUNDED BY SEVERANCE TAX BONDS OR GENERAL OBLIGATION BONDS] SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES

By signing the Agreement, Grantee acknowledges and agrees that the underlying appropriation for the Project is a severance tax bond (STB) or general obligation bond (GOB) appropriation, and that the associated bond proceeds are administered by the New Mexico State Board of Finance (SBOF), an entity separate and distinct from the Department.

The entity receiving the grant understands and agrees that:

- SBOF staff will determine if there are any conditions on the Project and inform each administering agency who will inform the grantee.
- If the Department doesn't tell them about a condition imposed by SBOF, it doesn't mean that condition isn't valid or enforceable.
- SBOF might add more conditions to the Project later.
- All SBOF conditions apply without changing this Agreement.
- They must meet all the SBOF conditions before the Department releases funds for the Project.
- The Department will only reimburse them for expenses related to the Project if all the current SBOF conditions are met.



# ARTICLE XVIII. [IF THE APPROPRIATION IS FUNDED BY SEVERANCE TAX BONDS OR GENERAL OBLIGATION BONDS] SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES



B. The organization receiving the grant understands and agrees that:

- The SBOF can decide to take away the bond money assigned to a project if the project doesn't move forward as expected.
- Entities must set aside five percent (5%) of the project funds within six months of getting the bond money. This needs to be confirmed by the organization in documents sent to the SBOF. If they don't do this, the bond money might be given to another project that's ready.
- If this happens, the grant agreement will be put on hold until the organization shows that they're ready to use the money, as decided by the SBOF and the Department.

C. The entity receiving the grant understands and agrees that this Agreement follows the rules set by the SBOF's Bond Project Disbursements rule, which might change over time. This rule helps to decide if the activities mentioned in the grant agreement are allowed or not.



QUESTIONS

why

what

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how

who

what

how

how

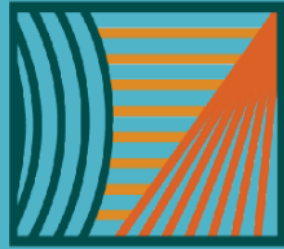
where

# Local Government Management Team

<a href="#">Jeannette Gallegos</a>	Acting Division Director / Deputy Director	505-827-4787 505-660-8744
<a href="#">Carmen Morin</a>	Community Development Bureau Chief	505-470-8979
<a href="#">Cordelia Chavez</a>	Budget and Finance Bureau Chief	505-231-7246
<a href="#">Cristina Martinez</a>	Special Services Bureau Chief	505-469-1822
<a href="#">Julie Fernandez</a>	LDWI Bureau Chief	505-629-2845
<a href="#">Shanna Sasser</a>	Rural & Frontier Equity Ombudsman	505-470-2750
<a href="#">Stephen Weinkauf</a>	NM-911 Bureau Chief	505-660-3637

# Community Development Bureau Team

Carmen Morin	Community Development Bureau Chief	<a href="mailto:CarmenB.Morin@dfa.nm.gov">CarmenB.Morin@dfa.nm.gov</a>	(505) 470-8979
Donna Stewart	CDBG Program Manager	<a href="mailto:DonnaJ.Stewart@dfa.nm.gov">DonnaJ.Stewart@dfa.nm.gov</a>	(505) 231-2993
Ryan Serrano	Capital Outlay Manager	<a href="mailto:RyanS.Serrano@dfa.nm.gov">RyanS.Serrano@dfa.nm.gov</a>	(505)819-1568
Steve Lacy	Project Manager	<a href="mailto:StevenK.Lacy@dfa.nm.gov">StevenK.Lacy@dfa.nm.gov</a>	(505) 695-5602
Maureen Ayers	Project Manager	<a href="mailto:Maureen.Ayers@dfa.nm.gov">Maureen.Ayers@dfa.nm.gov</a>	(505) 470-0977
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Stephanie Kramer	Project Manager	<a href="mailto:Stephanie.Kramer@dfa.nm.gov">Stephanie.Kramer@dfa.nm.gov</a>	(505) 690-4621
Lori Vasquez	Project Manager	<a href="mailto:Loretta.Vasquez@dfa.nm.gov">Loretta.Vasquez@dfa.nm.gov</a>	(505) 469-6175
Alison Gillette	Project Manager	<a href="mailto:Alison.Gillette@dfa.nm.gov">Alison.Gillette@dfa.nm.gov</a>	(505) 469-7811
Lynda Martinez	Project Manager	<a href="mailto:Lynda.Martinez@dfa.nm.gov">Lynda.Martinez@dfa.nm.gov</a>	(505) 699-3971
Melody Montoya	Project Manager	<a href="mailto:Melody.Montoya@dfa.nm.gov">Melody.Montoya@dfa.nm.gov</a>	(505) 670-4395
Daniel Catanach	Project Manager	<a href="mailto:DanielN.Catanach@dfa.nm.gov">DanielN.Catanach@dfa.nm.gov</a>	(505) 231-6090



**New Mexico**  
**Department of Finance  
and Administration**

# THANK YOU

DFA/Local Government Division

<https://www.nmdfa.state.nm.us/local-government/>

Capital Outlay

<https://www.nmdfa.state.nm.us/budget-division/capital-outlay-bureau/>