

**MICHELLE LUJAN GRISHAM**  
GOVERNOR



**OLIVIA PADILLA - JACKSON**  
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**DONNIE J. QUINTANA**  
DIRECTOR

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
LOCAL GOVERNMENT DIVISION  
Bataan Memorial Building ♦ 407 Galisteo St. ♦ Suite 202 ♦ Santa Fe, NM 87501  
PHONE (505) 827-4950 ♦ FAX (505) 827-4948

**Dear: Local Government Partner**

18 March 2020

As we plan, prepare and respond for the impact of the COVID-19 public health emergency, we face various uncertainties and unknowns, as they pertain to the economic and financial conditions at the state and local level. Accordingly, Local Government Division ("LGD") recognizes the need to temporarily adjust and amend our budget approval process and guidelines. Specifically, as they relate to: 1) FY-2021 local governments budget submittal and 2) their ability to meet the previous issued guidance (Memorandum BFB #20-02, dtd 2 March 2020) of maintaining the state required reserve as applicable to your respective entity.

Therefore, LGD has published (Attachment #1 Memorandum BFB #20-04, dtd 16 March 2020) providing updated FY-2021 Budget Preparation & Submission Guidelines. For an entity that may not have the data to adequately forecast revenue, we are allowing for the submission of your approved FY-2020 budget as you're FY-2021 budget. In addition, for our partners that may not have the resources to maintain the state required reserve, LGD will temporary modify the Local Government Budget Management System ("LGBMS") to allow for the waiver of this requirement.

If you have any questions, and/or concerns please feel free to contact me at 505-490-5788.

Thank you for your continued support.

Very respectfully,

A handwritten signature in blue ink that reads "Donnie Quintana".

Donnie Quintana  
Director

ATTACHMENT: #1 Memorandum BFB #20-04 dtd 18 March 2020

xc: Budget & Finance Bureau Analysts  
Brian Colón, State Auditor  
Regina Romero, New Mexico Municipal League Intergovernmental Relations Director  
Steve Kopelman, New Mexico Association of Counties Executive Director

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**MEMORANDUM BFB #20-04**

TO: New Mexico Counties and Municipalities

FROM: Donnie J. Quintana, Director  
Local Government Division 

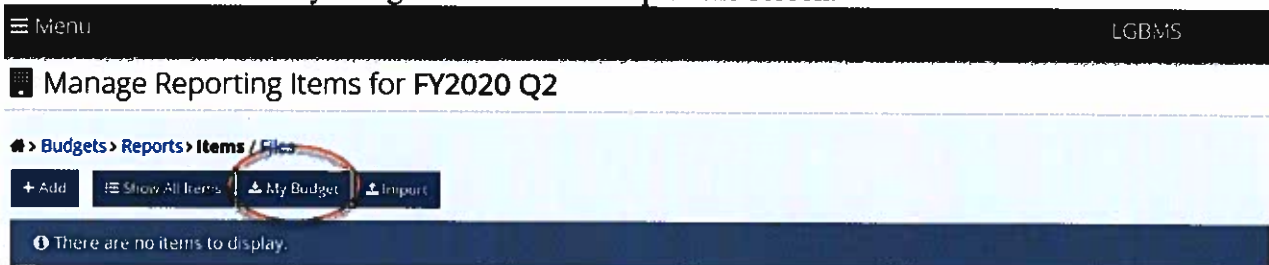
DATE: March 18, 2020

SUBJECT: Updated Fiscal Year 2020-21 Budget Preparation & Submission Guidelines

In light of current economic uncertainties due to the impact of the COVID-19 public health emergency, we are temporarily adjusting our budget approval guidelines.

In the event that your local entity has inadequate data to make revenue projections and/or is unable to meet the state required reserves, we offer the following recommendations in preparing and submitting an interim budget by the June 1, 2020 statutory deadline:

- You can download your local entity's FY2019-2020 budget from the Local Government Budget Management System (LGBMS) and then upload the exact budget, with any changes you deem necessary, into LGBMS as the FY2020-2021 interim budget using the following steps:
  - Navigate to the LGBMS Reporting Module and open any of the completed quarters for FY2019-2020 (for example you can go into period "FY2020 Q2" or FY2020 Q3").
  - Click on the "My Budget" button at the top of the screen.



- An Excel file with your entity's FY2019-2020 budget line items will appear on the screen and you can make changes to any of the amounts if you wish.
- Using the "Save As" option in Excel, save the file with a new file name denoting it as the FY2020-2021 budget and select "CSV (Comma delimited)" as the file type.

5. Navigate to the LGBMS Budget Module for FY2020-2021 and follow the instructions beginning on page 22 of the *LGMBS Entity User Guide* to upload the CSV file.
- A governing body resolution approving the annual budget is not required until July 31, 2020; therefore, it is based on your local entity's internal policy as to whether the interim budget will be presented to the governing body.
  - After the current fiscal year closes on June 30, 2020, reconcile all Funds so that you can complete the FY2020 Q4 report and have beginning balances as of July 1, 2020 to report on the final budget on LGBMS.
  - Use the year-to-date actuals on the FY2020 Q4 report to decide what budget line items require revision for the final budget and then contact your assigned LGD Budget Analyst (analyst) to coordinate the revisions.
  - We are working with our vendor to temporarily modify LGBMS to allow submittal of budgets not meeting the state required reserves; however, please have a conversation with your analyst if your local entity is unable to meet the state required reserves.
  - For questions that come up that are not specifically addressed in this guidance memo, be sure to contact your assigned analyst via email to get direction specific to your local entity's needs.
  - Because the impact of the current health emergency is evolving each day, be sure to read all email correspondence coming from your assigned analyst.

You can find the LGBMS User Guide, LGBMS FAQ document, and other information on our website: <http://www.nmdfa.state.nm.us/lgbms.aspx>

If you have any further questions, please contact your assigned analyst or the main number at (505)827-4975. We appreciate your patience and flexibility as we all navigate through these challenging times together.

xc: Local Government Division, Budget & Finance Bureau Analysts  
Brian Colón, State Auditor  
Regina Romero, New Mexico Municipal League Intergovernmental Relations Director  
Steve Kopelman, New Mexico Counties Executive Director