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**MEMORANDUM BFB #21-03**

TO: New Mexico Special Districts

FROM: Donnie J. Quintana, Director *Donnie Quintana*  
Local Government Division

DATE: March 15, 2021

SUBJECT: Fiscal Year 2021-22 Budget Preparation & Submission Guidelines

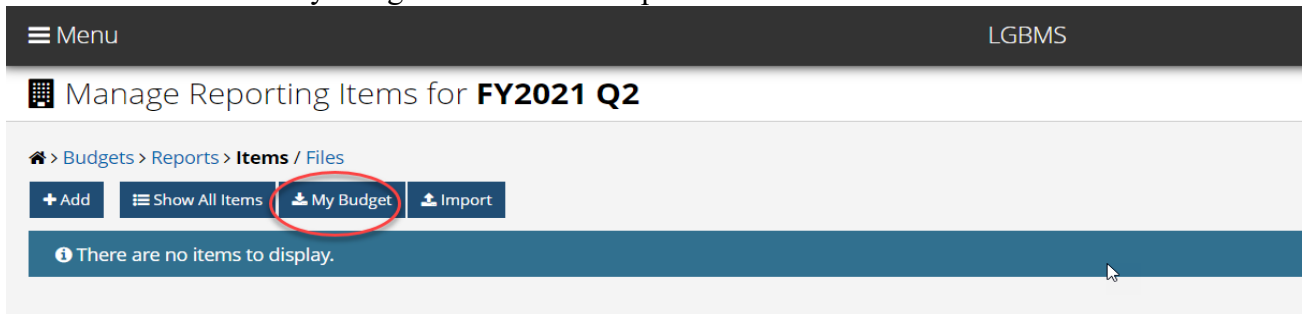
We cordially provide the following guidelines to ensure statutory compliance with Section 6-6-2 NMSA 1978 that requires each local public body to furnish and file with the Department of Finance and Administration (DFA), Local Government Division (LGD) a proposed (interim) budget for the next fiscal year. Furthermore, this statute authorizes the LGD to prescribe the form for all budgets, books, records and accounts for local public bodies.

To meet these requirements, LGD has developed budget forms which should be submitted electronically. These budget forms are located on our website:

<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-forms/>

If you are a pilot special district currently using the Local Government Budget Management System (LGBMS), please follow these steps to simplify your budget submission:

1. Navigate to the LGBMS Reporting Module and open any of the completed quarters for FY2020-2021 (for example you can go into period "FY2021 Q2" or FY2021 Q3").
2. Click on the "My Budget" button at the top of the screen.



3. An Excel file with your entity's FY2020-2021 budget line items will appear on the screen and you can make changes to any of the amounts if you wish.

4. Using the “Save As” option in Excel, save the file with a new file name denoting it as the FY2021-2022 budget and select “CSV (Comma delimited)” as the file type.
5. Navigate to the LGBMS Budget Module for FY2021-2022 and follow the instructions beginning on page 22 of the [LGBMS Entity User Guide](#) to upload the CSV file.

We offer the following recommendations in preparing a balanced interim budget, in the event your special district is facing financial/budgetary challenges:

- Adopting and applying formal policy that strictly disallows recurring expenditures from cash balances and non-recurring revenues,
- Re-evaluating all revenues while being cognizant of any legal, statutory or governmental accounting standard restrictions of use.

#### **INTERIM Budget Deadlines:**

##### **Special Districts Operating on State Fiscal Year**

Budget Document: June 1, 2021 [*submission extensions cannot be granted*]  
Budget Resolution: optional at this date  
Property Tax Resolution: June 1, 2021 (changes to the operating mill levy)

##### **LGD**

Interim Approval Letter: July 1, 2021

*NOTE: Approval of the interim budget designates it a legal binding document until the final budget is approved.*

#### **FINAL Budget Deadlines**

**For the below identified REQUIREMENTS is July 31, 2021:**

##### **Special Districts Operating on State Fiscal Year**

Budget Document  
Budget Resolution  
Budget Supporting Schedules  
4th quarter report  
4th quarter report Resolution

##### **LGD**

Final Approval Letter: September 6, 2021

*NOTE: Approval of the final budget designates it as a legal binding document. The final budget as approved by LGD is the official budget of record for your special district.*

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#### **Other Required Items:**

##### **Resolutions**

Sample resolutions for budget and 4th quarter report adoptions are located on our website:  
<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-forms/>

##### **4th Quarter Report**

This report must include the following:

- Recapitulation (recap) page (signed by preparer of quarterly report)
- Resolution (approved by governing body)

**OTHER:**

Items on the Budget Recapitulation (Recap) Page to be aware of:

- Beginning cash on recap page **must tie** to the 4th quarter report ending cash (before locally required reserves)
- Investments **must be** reported in the investments column
- Total Transfers **must always** equal to zero
- Adjusted Ending Cash balances of any Fund **cannot be negative** (including Funds that are awaiting grant reimbursements)

**Salary Increases:**

One- time temporary salary increases (known as bonuses) are not allowed.

See the "*July 2, 2008 Memo Performance Bonuses, Retroactive Pay Increases and Bonuses In Lieu of Pay Increases*" memo located on our website:

<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-memos/>

**Local Government Budget Management System (LGBMS) Update:**

LGBMS implementation of special districts will be phased-in and an implementation schedule will be developed as soon as a contract to continue system development is executed. If your special district currently participates in the pilot group, you will continue to submit on LGBMS and a new Security Access Form (SAF) for each individual within your local government who requires access to the system for Fiscal Year 2021-22 is required. In order to safeguard the data submitted on LGBMS, please be sure to submit a SAF to deactivate the account of anyone that has left your respective agencies. The Security Access Form (SAF), LGBMS User Guide, LGBMS FAQ document, and other information are available on our website: <https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/lgbms/>

If you have any further questions, please contact your assigned analyst. Staff contact information can be found here: <https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/>

xc: BFB Analysts  
Brian Colón, State Auditor