

**New Mexico Alternative Juvenile Adjudication Program and  
Juvenile Adjudication Fund Grant Guidelines**

**Local Government Division  
Department of Finance and Administration**

**Effective July 2019**

# Table of Contents

Purpose, Overview and Statutory Authority .....	1
Application and Eligible Applicants .....	1
Eligible Applicants.....	1
Administrative Requirements and Procedures .....	2
Fiscal Agent Requirement.....	2
Separation of Funds .....	2
Procurement Policies .....	2
Establish Adequate Internal Fiscal Controls .....	2
Budget Establishment .....	3
JAF Grant Agreement Process.....	3
Grant Budget Adjustments and Amendments.....	3
Funds.....	4
Reimbursement Requests and Reporting .....	4
Contract Administration.....	5
Supplanting .....	5
Double Billing.....	5
Cash Accumulations .....	5
Cash Transfers .....	6
Donations .....	6
Record Keeping Requirements .....	6
Budget Line Items.....	7
Budget Line Item List .....	7
Budget Line Item Definitions .....	8
Administration of Alternative Juvenile Adjudication Programs.....	11

.....

## **Purpose, Overview and Statutory Authority**

The New Mexico Legislature enacted Laws of 2009, Chapter 244, which created the juvenile adjudication fund (JAF) and was compiled as Section 34-16-1 NMSA 1978 (*Appendix A*). The purpose of the JAF is to provide grant funding to counties and municipalities for alternative adjudication processes for juveniles charged with traffic and other misdemeanor offenses to reduce the burden on the juvenile justice system. Per Section 34-16-1 NMSA 1978, money in the JAF is appropriated to the Department of Finance and Administration (DFA) to administer the fund and requires DFA to establish regulations and guidelines. The Local Government Division (LGD) within DFA has established rule 2.110.5 NMAC (*Appendix B*) and the following guidelines to assist counties and municipalities in applying for and administering the JAF grant. LGD will provide program oversight/technical assistance to alternative juvenile adjudication programs (AJAPs) funded through the JAF.

The JAF is supplemental to other sources of funding to run the AJAP. AJAPs should work toward building a sustainable funding base for program operations using a combination of funding options that are appropriate to local needs, services, and resources.

## **Application and Eligible Applicants**

The JAF application is posted to the DFA/LGD website generally in the spring for the following fiscal year's funding cycle. LGD staff evaluate applications and make funding recommendations. The LGD director determines funding award. Grantees submit a final budget based on the awarded amount, including a minimum 10% in-kind match, and enter into a grant agreement for the subsequent fiscal year. Funds not expended by the end of the fiscal year will revert back to the JAF for distribution in a subsequent fiscal year.

### **Eligible Applicants**

Only AJAPs are eligible to receive JAF.

Eligible applicants include all counties and incorporated municipalities or any combination of two or more counties and incorporated municipalities. Applications from multiple counties and/or municipalities must identify a lead county or municipality that will serve as the administrative lead and fiscal agent. The identification must be made through joint resolution by the participating counties and/or municipalities.

Pueblo and tribal governments and non-profit organizations are not eligible to directly apply for JAF. These entities may participate by requesting a county or municipality to act as their fiscal agent.

The AJAP applying for JAF must have been in operation for at least two consecutive years. If not, the applicant must have a mentorship relationship with another AJAP that has been operational for more than two consecutive years. The applicant must submit documentation of

the mentorship relationship and a letter of support from the mentor program. Applicants not meeting this requirement may submit a written request for a waiver.

Current JAF recipients must adhere to all relevant statutes, rules and guidelines to remain eligible to apply.

## **Administrative Requirements and Procedures**

### **Fiscal Agent Requirement**

A fiscal agent must be designated to assume legal and financial responsibility for the AJAP. The fiscal agent for the AJAP must be a municipal or county government. The fiscal agent must comply with established LGD requirements.

### **Separation of Funds**

All JAF grantees must set up a separate local JAF account in the county's or municipality's budget. Grant funds, program generated fees, and in-kind match must be segregated in the budget and must be clearly identifiable.

### **Procurement Policies**

JAF grantees and their fiscal agent must establish and follow a procurement policy that complies with the New Mexico procurement code, or the county procurement code if it is more stringent than the state code. Except as otherwise stated in the State Procurement Code, Section 13-1-28 through 13-1-199, NMSA 1978, the State Procurement Code applies to every expenditure by state agencies and local public bodies.

### **Establish Adequate Internal Fiscal Controls**

To ensure adequate internal fiscal controls, one person should be designated to review and approve all transactions involving JAF before those transactions are processed by the local finance officer. This individual should:

1. Approve purchase orders and contracts to be funded by state and local JAF;
2. Receive and approve invoices;
3. Review and approve requisitions for payment involving JAF;
4. Account for and turn over to fiscal agent all fees collected; and
5. Ensure that persons receiving JAF for salary and/or travel expenses have their travel, timesheets and invoices approved by the fiscal agent or supervisor.

If the individual responsible for program activities is also responsible for maintaining JAF records it is particularly important to have adequate internal controls. No one individual should

have complete control over all segments of financial transactions. For example:

1. The same person should not purchase materials, receive materials, authorize payment and write checks.
2. The person who prepares payroll should not handle the related paychecks.
3. All persons who handle financial transactions should be bonded in accordance with state law.
4. If collecting fees, the same person should not collect, record and deposit the fees. All fees collected must comply with the 24-hour rule for deposit.

## **Budget Establishment**

Budgets are established by the AJAP with approval from LGD. Grantees must have adequate systems to ensure actual expenditures do not exceed budgeted amounts.

Indirect administrative costs are limited to 5% of grant funds. Indirect costs include, but are not limited to, salaries and benefits for support staff, equipment costs, administrative expenses, and other expenses incurred by the grantee that are not direct costs of the AJAP.

A minimum of 10% of the JAF allocation must be in-kind match from the county or municipality. Cash valued contributions may be used to meet the in-kind match requirement. In the event LGD disagrees with the grantee's valuation of the in-kind contributions, LGD will make a determination of the in-kind cash value. Grantees may also report indirect administrative costs as in-kind match.

## **JAF Grant Agreement Process**

After approving final budgets, LGD will prepare the formal grant agreement. This document is sent to the grantee to obtain signatures. Two original signed grant agreements are mailed back for the LGD director's signature. The grant agreement is fully executed on the date of the final signature by LGD. One fully executed grant agreement is returned to the grantee.

## **Grant Budget Adjustments and Amendments**

### **Adjustment Request**

If a grantee needs to adjust or move funds between line items in the budget, the grantee must submit a written adjustment request to LGD staff. This request must be submitted on letterhead, and include a justification for the proposed changes, a description of the line items to be adjusted, and the fiscal agent's or county/city official's signature. This request will be reviewed by the LGD director or designee, and will be effective upon approval.

### **Amendment Request**

If a grantee needs to increase the in-kind budget amount from what was approved in the original grant agreement, a grant amendment request must be submitted. This request must be submitted

on letterhead, and include a justification for the proposed changes, a description of the line items to be adjusted, and the fiscal agent's or county/city official's signature.

When a grant budget amendment request is approved, LGD will prepare a formal grant budget amendment document. The amendment includes original amounts awarded, all changes to line items, and new grant budget forms. This document is sent to the grantee to obtain signatures. Two original signed grant amendments are mailed back for the LGD director's signature. The grant amendment is fully executed on the date of the final signature by LGD, and formally amends the original grant agreement. One fully executed grant amendment is returned to the grantee.

If the amendment changes the scope of work, such as adding or deleting a service or deliverable, then the coordinator must submit a written justification to LGD for the change. If approved, an amended scope of work will be prepared by LGD staff and included in the grant budget amendment.

Grant amendment requests will not be accepted by LGD after April 30<sup>th</sup>.

## **Funds**

All grant funding is made through reimbursements of actual costs. AJAPs must purchase, receive, and pay for goods, services, activities and programs before submitting reimbursement requests. Only expenses directly related to AJAP operations are allowable. Only expenses incurred after the grant agreement has been executed are eligible to be reimbursed. Reimbursement requests must be made using forms provided by LGD.

## **Reimbursement Requests and Reporting**

Grantees are required to submit quarterly reports to LGD. Required reporting documents are provided by LGD and must be completed each quarter. Complete reports include, but are not limited, to: a narrative or list of successes and challenges; a financial status update or reimbursement request; data reports; and any program/activity evaluation.

Any fees collected from AJAP participants must be used to support the AJAP. Collected AJAP fees must remain with the program; AJAP fees may not revert or be transferred to any other fund. All collected and spent fees must be reported in JAF financial reports, if not already reported in DWI/Alternative Sentencing reports. Any spent fees must be reported as in-kind match.

Reimbursement requests must be accompanied by backup documentation. Backup documentation are system generated documents that show proof of payment. These documents can include, but are not limited to, general ledgers, cancelled checks, check stubs, etc. LGD may request additional information regarding an expenditure.

Quarterly reports are due to LGD by **October 15, January 15, April 15, and July 10** of each fiscal year. If the due date for a quarterly report falls on a weekend or legal holiday, the due date

shall automatically be extended to the next day that is not a weekend or legal holiday. Quarterly reports must be submitted to LGD regardless of whether a reimbursement request is being made.

The fiscal agent and the coordinator must ensure that reports submitted to LGD do not include any “individually identifiable health information” as defined by the Standards for Privacy of Individually Identifiable Health Information, 45 CFR Parts 160 and 164, the Regulations promulgated by the Department of Health and Human Services pursuant to HIPAA, the Health Insurance Portability and Accountability Act of 1996.

Failure to meet reporting deadlines can lead to restrictions or termination of funding. If for any reason a grantee cannot meet a deadline, the coordinator or the fiscal agent must inform LGD staff in writing of the reason for the delay and request an extension to submit the report.

### **Contract Administration**

All contracts will be administratively reviewed by LGD prior to execution. This review is for compliance with the JAF grant rules and regulations and does not constitute a legal review nor does it assure compliance with the state procurement code or individual county/municipality procurement policies. Failure to comply with this requirement may result in denial of reimbursement for expenditures associated with the contract(s).

Contracts must be annual, concurrent with the grant period and fiscal year and based on available funding. They must be executed before services are delivered and expenditures are incurred. All contracts must be monitored by the fiscal agent and JAF coordinator for timely, appropriate completion of work, compliance with the procurement code, reporting and billing. All contracts must be in compliance with the State Procurement Code, 13-1-28 – 13-1-199, NMSA 1978, or any county procurement codes if they are more stringent than the state code.

### **Supplanting**

JAF shall not be used to replace or substitute funds for existing administrative expenses, programs, services or activities, but can be used to finance new, expanded, and/or complementary activities.

### **Double Billing**

No entity shall charge the JAF and another source of funding for the same service, activity or program.

### **Cash Accumulations**

Funds from the JAF shall be obligated or encumbered for approved programs, activities or services delivered in the fiscal year of the grant. No grant funds may be accumulated beyond the fiscal year.

## **Cash Transfers**

Funds from JAF will not be transferred to any other budgets/funds in the county/municipality.

## **Donations**

Donated funds cannot be co-mingled with any JAF funds. LGD does not provide oversight of donated funds unless they are used as in-kind match. When donations are used as in-kind match, proper back-up documentation must be provided.

## **Record Keeping Requirements**

All program records related to JAF must adhere to the New Mexico State Records Center and Archives Rule for Functional Retention and Disposition Schedule, 1.21.2 NMAC. This includes grant agreements and amendments, applications for funding, tracking and compliance files, all fiscal documentation, and any other program related documentation. All program records should be maintained in a secure and protected location.

\*\*\*

JAF recipients must adhere to all relevant statutes, rules and guidelines. LGD staff may conduct site visits to the AJAP. Site visits consist of reviewing program operations, financial reporting, and providing any technical assistance as needed.

# Budget Line Items

## Budget Line Item List

### Personnel Salaries

Full Time  
Part Time  
Temporary  
Overtime  
Termination Pay  
Other Wages

### Personnel Benefits

Group Insurance  
Retirement  
F.I.C.A.  
Workmen's Compensation Premium  
Unemployment Compensation  
Employee's Liability Insurance

### Travel

Mileage Reimbursement  
Per Diem  
Transportation Expenses

### Supplies (Expendable)

Office Supplies  
Education/Training Supplies

### Operating Cost

Background Checks  
Training  
IT Equipment and Software  
Postage & Mail Services

### Contractual Services

Professional Services Contracts

## **Budget Line Item Definitions**

### **Eligible Expenses**

**Personnel Salaries & Wages** are compensation to direct employees of the fiscal agent and elected officials.

**Full Time Salary/Wages** are paid to county/city employees hired to work a standard workday or workweek.

**Part Time Salary/Wages** are paid to county/city employees that work less than a standard workday or week.

**Temporary Salary/Wages** are paid to county/city employees that are hired for less than one year.

**Overtime Wages** are paid for hours worked in excess of the standard workweek or pay period as defined by the Fair Labor Standards Act (FLSA).

**Termination Pay** is paid to employees who are being terminated and may include any outstanding personal leave time accrued.

**Other Wages** may include, but are not limited to, sick leave, vacation & holiday pay, and other personal days accrued or granted by the municipality or county.

**Employee Benefits** are non-wage compensation provided to employees in addition to their salary/wages.

**Group Insurance** is the employer's portion of insurance premiums, health care, dental, vision expenses, etc.

**Retirement Contributions** are the employer's portion of retirement plan contributions.

**F.I.C.A.** is the employer's portion of contributions for Social Security & Medicare.

**Workers' Compensation Premiums** are the employer's portion of quarterly assessments and/or the annual premium for workers' compensation policies.

**Unemployment Insurance** is the employer's portion of premiums for unemployment compensation.

**Employees' Liability Insurance** is the employer's portion of employee liability insurance.

**Travel** includes costs associated with AJAP-related travel. Per the Mileage and Per Diem Act, Section 10-8, NMSA 1978, reimbursement for travel is limited to salaried and non-salaried public officers and employees of all state agencies and local public bodies.

**Mileage Reimbursement** is reimbursement for costs incurred for private car usage (in accordance with current state policy rates).

**Per Diem** includes reimbursement for expenses incurred for employee meals and lodging.

**Transportation Expenses** includes expenses for fuel and oil, car rental, public transportation fares, and parking fees.

**Supplies** are expendable items associated with the day-to-day operation of the AJAP, and will be consumed during the grant period.

**Office Supplies** are for standard office supplies only (e.g., paper, pens, folders, notebooks, desk calendars, etc.).

**Educational/Training Supplies** are educational curriculum books, pamphlets, and other training supplies.

**Operating Costs** are associated with the general operation of AJAP. Allowable operating costs are limited to the following:

**Background Checks** are criminal background checks conducted on personnel and volunteers working with juvenile participants.

**Employee and Volunteer Training** are costs for training of employees and volunteers providing direct services to the AJAP; fees paid to professional organizations for training; and attendance at conferences and workshops.

**IT Equipment and Software** are limited to equipment and software necessary to operate the AJAP.

**Postage & Mail Services** are costs for postage and courier services.

**Contractual Services** are costs associated with agreements with partnering agencies or certified professionals for services that directly support the AJAP.

**Indirect Administrative Expenditures** are expenditures that do not directly support AJAP operations —such as salaries and benefits for support staff, equipment costs, administrative expenses, supplies, and other expenses incurred by the grantee. Indirect administrative costs are limited to 5% of grant funds. Documented indirect expenditures that exceed 5% of the JAF budget may be reported as in-kind match.

**\* ALL EXPENSES ARE SUBJECT TO LGD APPROVAL \***

## **Ineligible expenses**

**Capital Purchases** are equipment, machinery, furniture and fixtures, having a unit value of \$5,000 or greater and are required to be capitalized.

**Minor Equipment** is furniture, building fixtures and equipment, such as computers, laptops and software, with a unit value of \$5,000 or less and is not required to be capitalized.

**Vehicle** purchases with JAF are prohibited.

**Operating Costs** including rent; utilities; telecommunication expenses; professional fees including licensing fees, professional memberships, or organization fees and dues; or tuition reimbursement.

**Promotional Items** are items such as T-shirts, trinkets, pens, magnets, cups, hats, key chains, rulers, pencils, etc.

**Food** purchases with JAF is prohibited.

**Stipends** to individuals for any services are prohibited.

## **Administration of Alternative Juvenile Adjudication Programs**

The AJAP is responsible for developing procedures and guidelines that cover program structure including participant eligibility, referrals, agreements, hearing dispositions, data tracking; staff and participant safety; and community participation/collaboration.

Grantees are required to collect and report data to LGD. Data to be reported include, but are not limited to, number of participants served; defendant demographics; type of offense; components provided to participants; and case status. Required reporting documents are provided by LGD and must be included with each quarterly report.