MEMORANDUM # BFB-10-06

TO: Soil & Water Conservation Districts - Finance Officers

FROM: John A. Gallegos, Deputy Director
      DFA, Local Government Division

DATE: May 25, 2010

SUBJECT: Fiscal Year 2010-11 Budget Preparation

I. Statutory Authorization:
Section 6-6-2 NMSA 1978 requires local public bodies to submit an annual budget to the
Department of Finance & Administration, Local Government Division (LGD). LGD is also
authorized by statute to prescribe budget and other financial forms to be used by local public
bodies. The definition of local public bodies includes the Soil and Water Conservation Districts
(Districts).

II. Budget Submittals:
- Districts must develop and submit a proposed (interim) budget to LGD for the next fiscal
  year no later than June 1st. Each District's board approval of the interim budget by formal
  resolution is optional. The interim budget is analyzed for any necessary corrections or
  additional information and approved by LGD as an operating budget pending approval of
  a final budget.
- Districts must develop and submit a final budget with a formal resolution approved by
  their respective boards to LGD no later than July 31st for analysis, any necessary
  corrections, and approval. The final budget submittal is comprised of all forms and
  schedules including a revised Budget Request Recapitulation Form (Recap) with updated
  Unaudited Beginning Cash Balances (reconciled as of June 30th) and any forms and
  schedules that changed from the interim to the final budget submission.
- Districts must submit separate interim and final budgets by their respective deadlines.

III. Budget and Quarterly Report Forms:
LGD has customized the budget and quarterly report forms to meet the specific needs of the
Districts. Also, the new forms are necessary due to the increasing number of requests from the
Executive and Legislative branches for standard compilations of fiscal information derived from
consistent reporting methodology. These forms were developed by LGD, Budget and Finance
Bureau staff with active participation from Marsha Wright, Roy Todd, and Merry Jo Fahl. Use of
the new budget and quarterly financial reporting forms for FY 2010-11 is on a pilot project basis
and is therefore optional. However, their use will be required for FY 2011-12.
The new District forms can be located and downloaded from the LGD, Budget and Finance Bureau website:

- [www.fmb.nmdfa.state.nm.us](http://www.fmb.nmdfa.state.nm.us)
- On the left side of the page, click ‘Required Forms’
- Under the title ‘Soil & Water Conservation Districts: Pilot Projects’, click
- ‘Annual Budget Forms’; there are tabs at the bottom to access each different form.
- ‘Quarterly Report’; there are tabs at the bottom to access each different form.

The budget forms have certain cells that are locked primarily because they are automatically populated by information already entered in other sections of the budget. The *Operating Budget Supporting Schedules* (fill the tabs from right to left) should be the first forms to be filled out followed by the expenditure and revenue forms for the different fund types. The *Recap* form will contain (on one page) the overall totals for the operating budget.

**Budget Request Recapitulation (Recap):**

- **All** investments are to be shown in the *Investments* column.
- The *Budgeted Transfers* Grand Total must always be equal to zero.
- The *Adjusted Ending Cash Balance* for each fund cannot be a negative number – unless it can be documented that a definite fiscal transaction (*e.g.* reimbursement) will occur that will reestablish a positive cash balance.
- Supporting document totals roll up to the overall totals and Grand Totals.
- Each revised Recap must be indicated by check mark, as well as *Resubmission No.* and *Resubmission Date* at the bottom of the page. The final Recap and supporting budget documents, as approved by your analyst, will be the official approved FY 2010-11 budget on file for your District.

IV. If your District intends to increase the imposed property tax mill rate for FY 2010-11, please provide a resolution that states that intent - separate from the resolution that authorizes your budget submittal.

VI. **Conclusion:**
Please establish a very fiscally conservative Fiscal Year 2010-11 budget in consideration of the current state of the economy and the uncertainty of some of the revenue resources. All budgets submitted to LGD are binding on each District’s board members and funds must be expended in accordance with the approved final budget document.

Please contact your Executive Budget Analyst if you have any questions or require any further information. Thank you.

cc: Rick Martinez, DFA Deputy Secretary
    BFB Executive Budget Analysts

**Budget and Finance Bureau Mission Statement:**

“To assist officials and employees of the local public bodies in New Mexico to maintain budget and fiscal integrity for the benefit of our citizens.”