MEMORANDUM #BFB-15-03

TO: NM Special Districts

FROM: Rick Lopez
       Director

DATE: February 23, 2015

SUBJECT: Fiscal Year 2015-16 Budget Preparation & Submission Guidelines

STATUTORY AUTHORITY:
Section 6-6-2 NMSA 1978 requires each local public body to furnish and file with the Local Government Division (LGD) a proposed (interim) budget for the next fiscal year and also requires LGD to approve the interim budget and then the final budget. Furthermore, this statute authorizes LGD to prescribe the form for all budgets, books, records and accounts for local public bodies.

Budgets:
Budgets approved by the governing body must be submitted. A recommended budget format can be found on our website (see link below). However, customizable formats will be accepted if the following information is included:

- Projected beginning cash balance(s) as of July 1, 2015.
- Listing of all revenues
- Listing of all expenditures
- Transfers between funds (if budgeting more than 1 fund)
- Projected ending cash balance(s) as of June 30, 2016

BUDGET FORMS CAN BE LOCATED ON THE LGD WEBSITE:
http://www.nmmda.state.nm.us/Forms_and_Pilot_Project_Forms_1.aspx

INTERIM (Proposed) Budget  [This budget is NOT an option. Statutorily required to submit by June 1st.]

- Submission Deadline: June 1, 2015
- Resolution (approved by governing body) is optional at this date.
- Projected Beginning Cash Balances as of July 1, 2015 (current fiscal year will not be completed at submission time)
- LGD approval deadline: July 1, 2015
  LGD approval letter will indicate if more information is needed and/or corrections need to be made for final budget review and certification.

LGD approval of interim budget makes the budget a legal binding document to be used for operations until the final budget is certified. Therefore, the interim budget should be as complete and accurate as possible.

FINAL Budget
- Submission Deadline: July 31, 2015
• Resolution (approved by governing body) is REQUIRED
• Beginning Cash Balances as of July 1, 2015 should be true balances and need to tie to the ending 6/30th ending cash balances
• LGD approval deadline: September 8, 2015

Certification of final budget supersedes the interim budget and becomes the official legal binding document for the fiscal year.

June 30th Quarterly Report Requirements:
This report must include the following:
• A signed copy of the recapitulation (recap) page
• A resolution approving this report. (NOTE: If approval by resolution is not possible by the July 31st deadline, please contact your assigned analyst.)

OTHER:
➢ FY 14-15, 4th qtr report ending cash (before reserves) must tie to beginning cash on recap page.
➢ The Budgeted Transfers grand total must always be equal to zero (if budgeting more than 1 fund).
➢ Adjusted Ending Cash balances of any fund cannot be a negative number.

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”
http://www.nmdfa.state.nm.us/Budget_Memos_1.aspx.

Please share this memorandum with every member of your governing body, i.e. trustees, board members, etc.

Contact your assigned budget analyst for any questions or the main number at (505)827-4975.

xc: BFB Analysts
Sanjay Bhakta, Deputy State Auditor