MEMORANDUM #BFB-18-01

TO: New Mexico Counties and Municipalities

FROM: Rick Lopez, Director
Local Government Division

DATE: January 23, 2018

SUBJECT: Fiscal Year 2017-2018 Reminders

Section 6-6-2E NMSA 1978 requires the Department of Finance and Administration, Local Government Division (LGD) to certify a final budget for each local public body and further states that once approved, such budgets are binding upon all tax officials of the state. Therefore, the approved final budget stamped by the LGD as “Approved” or “Approved as Amended” is now the official budget document that must be entered into your financial system.

With official budget documents filed in our office, it is imperative that such said document be managed carefully. The following is required:

BUDGETS

Beginning Cash

All beginning cash amounts listed on the budget recap page and every financial quarterly report for the fiscal year must remain the same throughout the remainder of the fiscal year.

Budget Adjustments

Any fund increases, fund decreases, and or fund transfers must be approved by the LGD following governing body authorization via a Budget Adjustment Request (BAR). Email submission of the signed resolution AND the excel LGD prescribed BAR worksheet is required for processing and approval. Do not mail an additional hard copy of such request.

FINANCIAL REPORTS

Monthly Financial Reporting

All entities whose final budget was “conditionally” approved or quarterly financial report is submitted with a negative cash balance in ANY fund must submit monthly financial reports. Notification of financial reports submission requirement change will be provided by the LGD in a letter to the governing body.
General Ledger Submission

All entities must submit the General Ledger (profit & loss report) with the 2nd and 4th quarter financial report submission. Each submission must tie to each other.

AUDITS

Audit Corrective Action Plans

All entities must submit a copy of their Audit Corrective Action Plans (plans developed to correct audit deficiencies) with the 2nd quarter financial report submission.

Audit Correcting Entries

Correcting entries required by the auditor must be reflected in the adjustments column in both the financial reports and the BAR excel worksheet.

LGBMS CHART OF ACCOUNTS (COA) CROSSWALK

All entities should have started their crosswalks from their internal COA to the LGBMS standard COA. Many resources such as the Excel files of the standard COA, draft upload templates, cross-walking tips and examples, are available on LGD’s website. Please remember to check the LGBMS webpage for updates often.
http://www.nmdfa.state.nm.us/lgbms.aspx

TRAINING

LGD plans to continue conducting training sessions on specific subject matters via conference calls, webinars, etc. Your budget analyst will notify you of training opportunities.

If you have any questions, contact your budget analyst or call the main number at (505) 827-4975.

xc: BFB Analysts
Wayne Johnson, State Auditor
Bill Fulginiti, NMML Executive Director
Steve Kopelman, NMAC Executive Director