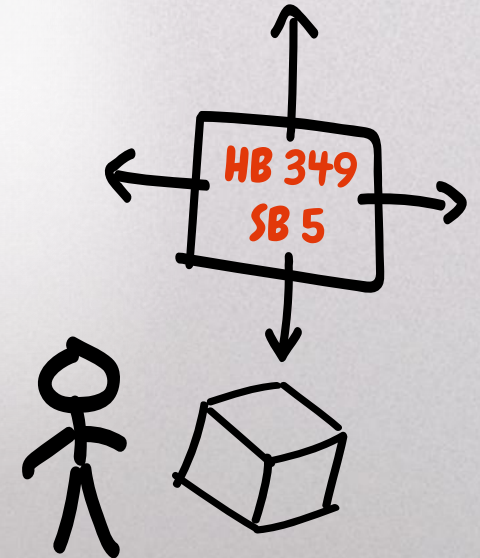


Pay Request

Notice
of
Obligation
(NOO)

State of New Mexico Capital Outlay

Inter-governmental
Agreement (IGA)



Scott Wright, Community Development Bureau Chief



Community Development Bureau Staff

Maxx PL Hendren, MaxxP.Hendren@state.nm.us

Maria Urban, Maria.Urban@state.nm.us

Jacob Jones, Jacob.Jones@state.nm.us



Donna Stewart, DonnaJ.Steward@state.nm.us

David Buchen, David.Buchen@state.nm.us

Carmen Morin, CarmenB.Morin@state.nm.us



Ariana Vigil, ArianaM.Vigil@state.nm.us

**Community Development Bureau
Local Government Division
Department of Finance and Administration
Bataan Building
407 Galisteo
Santa Fe, NM 87501**



Presentation Overview

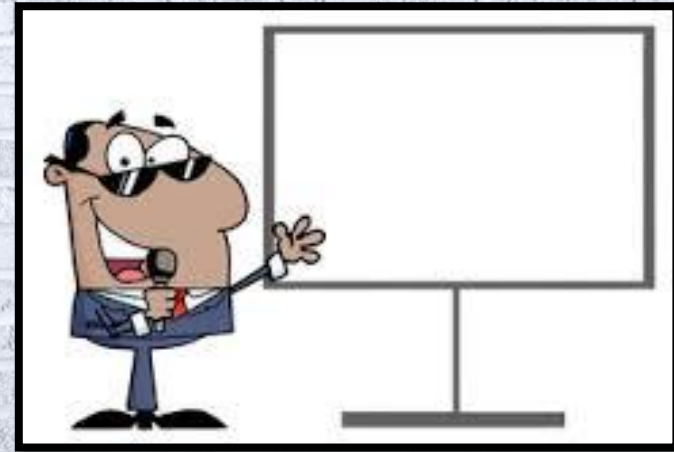
❖ Capital Outlay cycle, funding & project types

❖ 2020 Capital Outlay

- HB 349
- HB 355
- SB 5 (Special Session)

❖ Grant Agreement

- Encumbrances (Notice of Obligation)
- Reporting
- Pay requests



Capital Outlay

- ❖ **Money spent to maintain, upgrade, acquire, or repair capital assets**
- ❖ **Capital Outlay Request Form**
 - ❖ **More accessibility and ease of use**
 - ❖ **Data from ICIP can be pulled in if fiscal agent has submitted ICIP**
 - ❖ **Better data collected overall, as fields can be required**
 - ❖ **Grantee contact information?**
 - ❖ **Ability to cross compare and analyze requests for policy priorities, project readiness, legal issues**

(https://nmlegis.gov/Legislation/BillFinder/Capital_Outlay_Request_Forms)

How is Capital Outlay Funded?

❖ Severance Tax Bonds (STB)

- Issued against revenue from taxes on oil, gas & natural resources
- Bonds are sold 2 times per year by SBOF
- Subject to bond capacity and NM's credit rating

❖ General Fund (GF)

- Taxes on oil, gas & natural resources
- Other state taxes



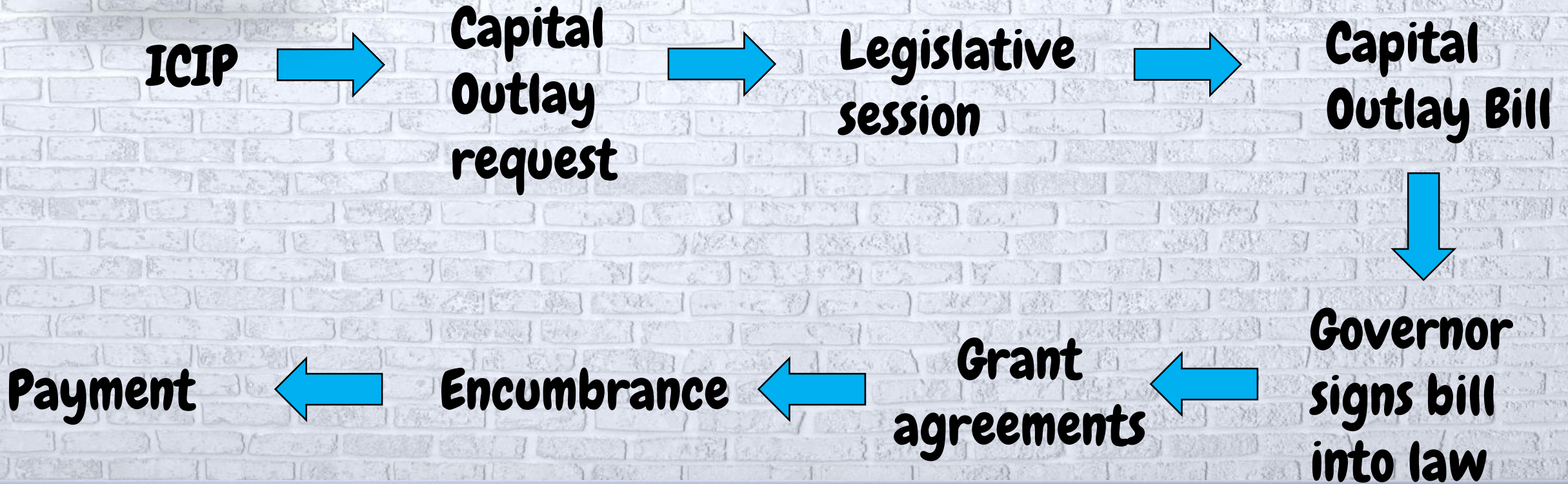
What are the Different Types of Capital Outlay?

- ❖ 2 year projects: purchase of equipment, vehicles, etc.
- ❖ 4 year projects: construction, rehab, property acquisition, etc.
- ❖ Reauthorizations
 - Make changes to existing projects (during legislative session)
 - Time extension
 - Scope of work
 - Change in (state) agency





Capital Outlay Cycle



2020 Capital Outlay Timeline

Jan 2020:

Capital Bill (HB 349)

Reauth Bill (HB 355)

Jun 26, 2020:

Bond Sale

Dec 2020:

***Reporting in
CPMS***

Jan 2021:

***Legislative
Session***

Jun 2020:

***Special
Session***

Summer 2020:

***June Bond Sale Grant
Agreements***

Oct 2020:

Bond Sale

**WORKING FROM HOME
TODAY**



NO PANTS

Jun 26, 2020:

SB 5 Signed

September 24, 2020:

***5% Encumbrance or
Revert Funds***

Jun 26, 2020:

June Bond Sale

December 2020:

***5% Encumbrance
from June Bond Sale***

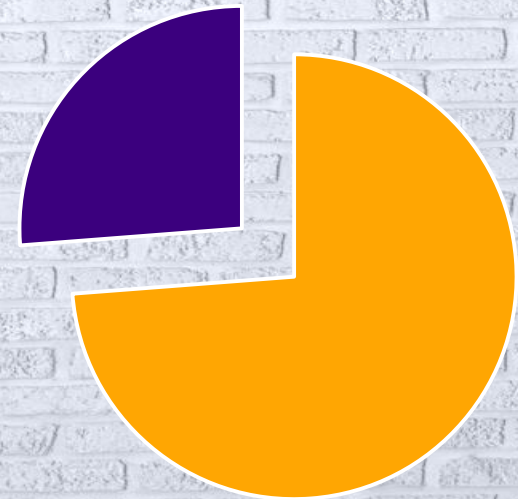
Capital Bill (HB 349)

❖ Funding Types

- 858 appropriations through severance tax bonds (STB)
- 583 appropriations through general fund (GF)

2020 Capital Projects

■ STB
■ GF

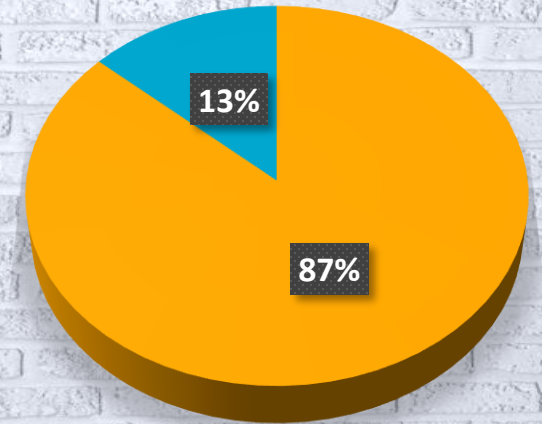


HB 349 (GF)

❖ 161 total GF appropriations (\$122 million)

- 25 total projects determined to be overfunded
 - Reduced by \$2.8 million
 - Grant amount equal to ICIP or capital outlay request

Percentage of
Projects Impacted



HB 355 (Reauth)

❖ 122 total projects

❖ Multiple funding sources, general rule:

- If original project funded in 2014–2018, STB
 - Bond Counsel approval for change in scope of work and/or agency
- If original project funded in 2019, GF
 - Approved once signed into law by the Governor



Reauthorizations for General Fund

Legislative Session

Complete/submit
reauthorization
request form
(LCS)



Reauthorization
bill signed!!!

Time Extension

Agency budget
approval

Receive Grant
Agreement

Change in Scope

Agency budget
approval

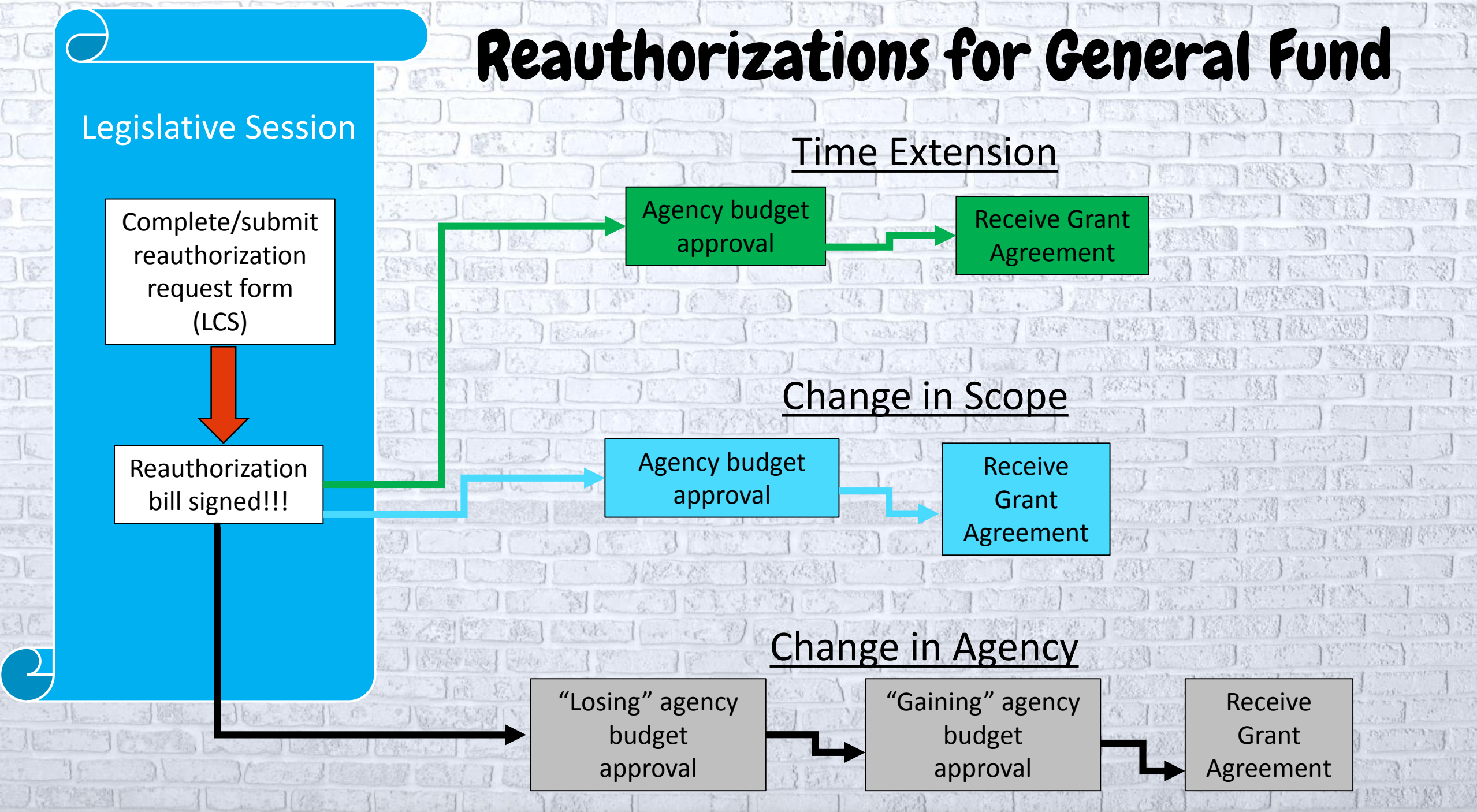
Receive
Grant
Agreement

Change in Agency

"Losing" agency
budget
approval

"Gaining" agency
budget
approval

Receive
Grant
Agreement



Reauthorizations for STBs

Legislative Session

Complete/submit
reauthorization
request form
(LCS)



Reauthorization
bill signed!!!

Time Extension

Wait for agency
budget
approval

Receive Grant
Agreement

Change in Scope

Wait for
SBOF
approval

Wait for agency
budget
approval

Receive
Grant
Agreement

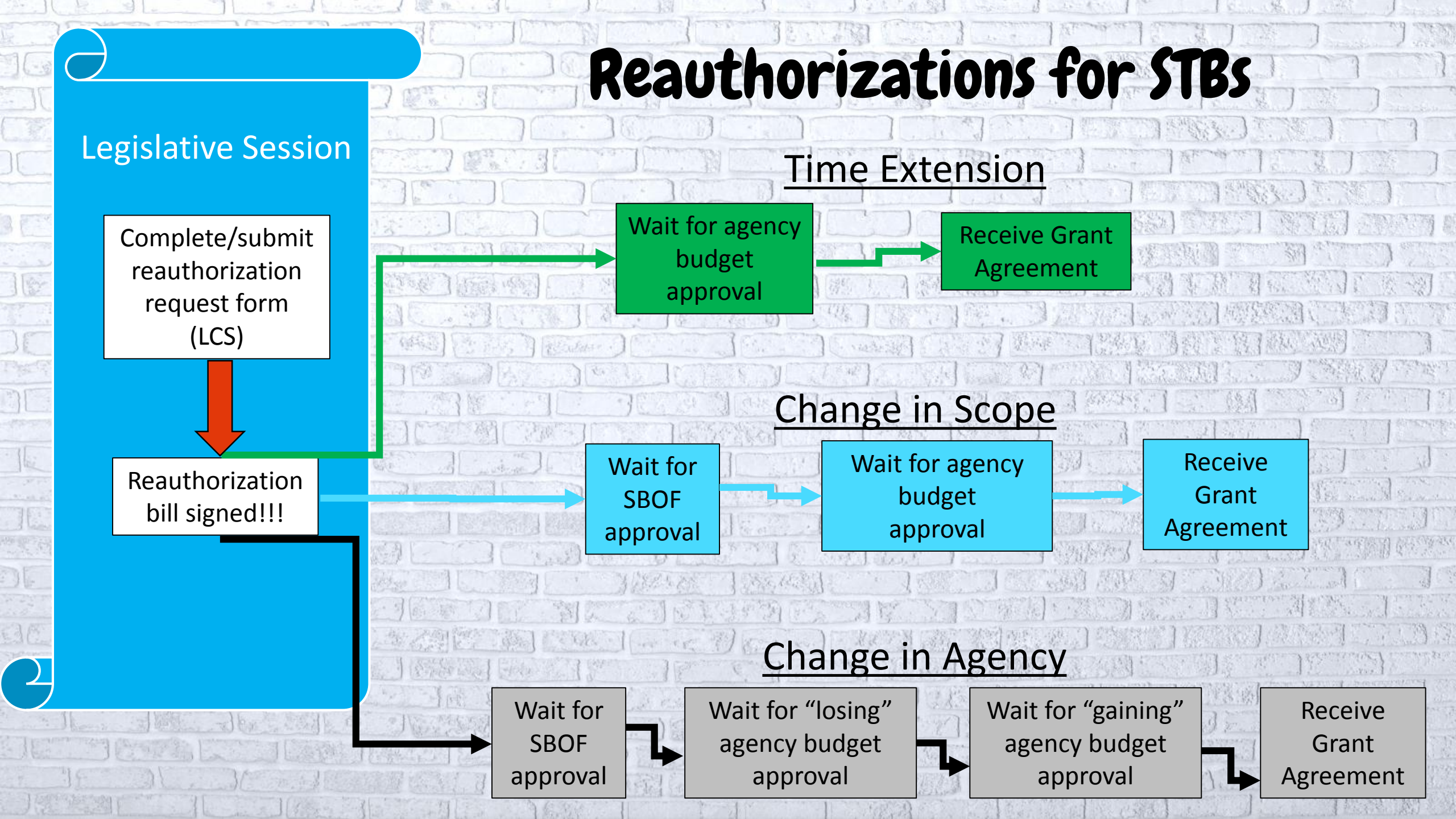
Change in Agency

Wait for
SBOF
approval

Wait for "losing"
agency budget
approval

Wait for "gaining"
agency budget
approval

Receive
Grant
Agreement



2020 Special Session

❖ Budget cuts remained unclear

- GF appropriations were not budgeted (yet)
- STB appropriations were awaiting June bond sale
- June 26th, 2020:
 - Bond sale
 - Governor signed SB 5



June 26th, 2020

❖ SB 5

- 70 appropriations (from 2019 GF) revert
- 90 days to encumber (at least 5%); deadline September 24th

❖ Bond sale

- Appropriations to have (at least) 5% encumbrance by
- December 2020



Where's My Grant Agreement?!

❖ Executive Order 2013-006 (EO-6) Compliance

- Registered w/ Secretary of State
- Audits released by Office of State Auditor
- Special conditions may apply based on audit



❖ Anti-Donation

- Cannot use state funds to disproportionately benefit an individual, entity or organization
- Identification and clearance responsibilities
 - STB: SBOF Bond Counsel
 - GF: State Agency

Grant Agreements

❖ Terms and conditions

- 18 (XVIII) Articles
- How to obligate funds
- How to request payment
- Reporting requirements
- Exhibits



Grant Agreement



❖ Article I (probably the most important article)

- Project #, \$ amount, authorized language, reversion date & AIPP

AGREEMENT

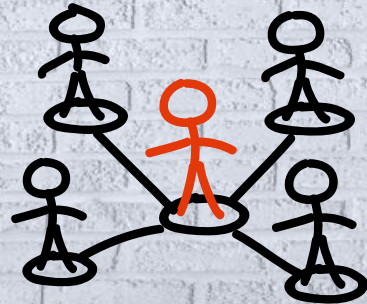
NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE

A. The project that is the subject of this Agreement is described as follows:

20-E2530 \$600,000.00 Appropriation Reversion Date: 30-JUN-24
Laws of 2020, Chapter 81, Section 35, Paragraph 186, Six Hundred Thousand Dollars (\$600,000.00)
to plan, design, construct, furnish and equip a detention center in De Baca county less Six
Thousand Dollars (\$6,000.00) for art in public places.

The Grantee's total reimbursements shall not exceed **Six Hundred Thousand Dollars (\$600,000.00)** (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")^[1], if applicable, **Six Thousand Dollars (\$6000.00)**, which equals **Five Hundred Ninety Four Thousand Dollars (\$594,000.00)** (the "Adjusted Appropriation Amount").



AIPP applies to structures with appropriations in excess of \$100,000

Art in Public Places (AIPP)

- ❖ Projects for buildings or public facilities <\$100,000
- ❖ 1% or \$200,000 (whichever is less) deducted for AIPP



New Mexico Arts Staff:

Anna Blyth
AIPP Project Coordinator
Anna.blyth@state.nm.us

Meredith Doborski
AIPP Project Coordinator
Meredith.doborski@state.nm.us

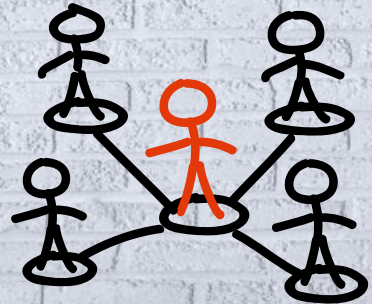


Grant Agreement



❖ Article II Notice of Obligation (Exhibit 2)

- Demonstrated financial obligation
- Submit 3rd Party vendor information “as soon as possible after execution by the 3rd party but prior to execution by the Grantee.”
- Used to encumber funds in an exact amount, for a specific vendor
- NMAC 2.61.6 details which expenses are eligible (<http://164.64.110.134/parts/title02/02.061.0006.html>)



Steps of Notice of Obligation Process

Step 1: Grantee ensures that work performed is reimbursable under the terms of the grant

Step 2: Grantee procures 3rd party vendor using State or local procurement code

Step 3: Grantee completes and submits:

- a. proof of procurement (quotes, copy of bids, RPF, etc.)
- b. completed NOO

Step 4: Agency will verify:

- a. proposed purchase is consistent with authorized language of grant
- b. scope of work is reimbursable under NMAC 2.61.6.8
- c. budget
- d. 3rd party was procured properly



Steps of Notice of Obligation Process

Step 5: Once Agency determines 3rd party agreement and NOO meet criteria, Agency signs NOO and processes the paperwork for encumbrance in SHARE

Step 6: Agency issues a PO in SHARE to encumber funds for the amount indicated by NOO

Step 7: Once the funds are encumbered, Agency will return a copy of the approved NOO to Grantee

Step 8: Grantee can receive invoice and make payment(s)



Q: Can a Grantee make payments before receiving an approved NOO?

A: Yes, but doing so is proceeding at the risk of not being reimbursed

Notice of Obligation

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE EXHIBIT 2

Notice of Obligation to Reimburse Grantee # 2
DATE: 10/1/20
TO: Department Representative: Jane Employee, Project Manager
FROM: Grantee Entity: Energetic County
Grantee Official Representative: Amy Clever, City Manager
SUBJECT: Notice of Obligation to Reimburse Grantee
Grant Number: 20-E2530
Grant Termination Date: 6/30/24

As the designated representative of the Department for Grant Agreement number 20-E2530
entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the
following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor:	<u>W.T. Plumbers</u>
Third Party Obligation Amount:	<u>\$ 45,289.99</u>
Vendor or Contractor:	<u></u>
Third Party Obligation Amount:	<u></u>

Notice of Obligation

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

A. Grant Amount (Minus AIPP if applicable):	\$ 594,000.00	
B. The Amount of this Notice of Obligation:	\$ 45,289.99	
C. The Total Amount of all Previously Issued Notices of Obligation:	\$ 376,342.72	
D. The Total Amount of all Notices of Obligation to Date:	\$ 421,632.71	(B. + C. = D.)

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: Jane Employee
Title: Project Manager
Signature: _____
Date: _____

¹ Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

Grant Agreement

❖ Article VIII (Reports)

- Database reporting

- Monthly in CPMS <http://cpms.dfa.state.nm.us/login.aspx>
- Local Government Division will check progress in CPMS when you submit a N00 or request for payment



Capital Project Monitoring System (CPMS)

❖ Monthly reporting (<http://cpms.dfa.state.nm.us/login.aspx>)

- Update when you submit a N00 or request for payment

Capital Appropriations Search

Login Reports

Welcome to the Department of Finance and Administration's Capital Appropriations Search page. Here you can search for and filter current and past capital appropriations. Simply choose your selection criteria(s) from the selection boxes below and click the submit button. You will be presented with a list of appropriations matching your selection criteria. From there, you can click on an appropriation identifier to see the appropriation information.

Agencies wishing to update appropriation status and other information should click [here](#) to login, or use the Login link at the lower right of the above title bar.

Click [here](#) to see a list of the fiscal agent codes.

Year: -ALL- ▾

Agency: ▾

City: ▾

County: ▾

Appropriation Title
Keywords:

AppriID:

Submit Reset

Login below to update capital monitoring data for active projects (i.e., quarterly updates, status, expended amounts, etc.): (DO NOT use this login to update the questionnaire for a bond sale.)

[State Agency \(Monitoring\)](#)

[Local Entity \(Monitoring\)](#)

341	05000	E2529	CURRY CO COURTHOUSE IMPROVE & REN	STB	\$2,000,000	\$2,000,000	\$2,000,000	***	E2529
341	27000	E2530	DE BACA CO DETENTION CTR	STB	\$600,000	\$600,000	\$600,000	***	E2530
341	27001	E2531	BOSQUE REDONDO PARK LAKE IMPROVE	STB	\$150,000	\$150,000	\$150,000	***	E2531
341	07000	E2532	CHAPARRAL SPORTS COMPLEX FEAS STUDY	STB	\$138,000	\$138,000	\$138,000	***	E2532
341	07000	E2533	DONA ANA CO CASAS LINDAS PARK IMPROVE	STB	\$40,000	\$40,000	\$40,000	***	E2533

Capital Project Monitoring System (CPMS)

❖ Monthly reporting (<http://cpms.dfa.state.nm.us/login.aspx>)

- Part 1: SHARE/BOF
- Part 2: State agency
- Part 3: Local Data

Local Data	
ICIP Project #?	<input type="text" value="24075"/> <small>Enter numbers only - No comma separators</small>
ICIP Priority Year/Rank	<input type="text" value="0"/> <input type="text" value="202"/>
Expended Amount (Local Entity) ?	<input type="text" value="600000"/> <small>Enter numbers only - No \$ or comma separators</small>
Balance (Local Entity) ?	<input type="text" value="600000"/> <small>Enter numbers only - No \$ or comma separators</small>
Project Status (Local Entity)?	Bonds were sold in June, working to execute grant agreement. <input type="button" value="↑"/> <input type="button" value="↓"/>
Project Phase (Local Entity)	<input type="text" value="0175 - Project Planning"/> <input type="button" value="v"/>
Goal/Milestone achieved Last Qtr (Local Entity)	Bonds sold <input type="button" value="↑"/> <input type="button" value="↓"/>
Goal/Milestone for Next Qtr (Local Entity)	Procure professional design service provider <input type="button" value="↑"/> <input type="button" value="↓"/>
Valid Contracts in Place (True/False)	<input type="checkbox"/> <small>Check if valid contracts exist for this project.</small>
No activity for month being reported (True/False)	<input type="checkbox"/> <small>Check if there was no activity for this appropriation for month being reported.</small>
Last Submission Date (Local)	<input type="text" value="7/17/2020 12:0"/> <small>Format: mm/dd/yyyy</small>
Last Update (Local)	<input type="text" value="7/17/2020"/>
	<input type="button" value="Submit"/>

Capital Project Monitoring System (CPMS)

- **How often do I need to report?**
 - **Monthly**
- **Why do I need to report?**
 - **Government transparency**
 - **Local information is always the most accurate**
- **Who looks at these reports?**
 - **Legislative Finance Committee, State agencies, general public**



Grant Agreement



❖ Article IX

- Request for payment (Exhibit 1)
- Obligate 5% within six months of bond sale or grant execution
- Expend 85% within six months prior to reversion date

Request for reimbursement

STATE OF NEW MEXICO
CAPITAL GRANT PROJECT
Request for Payment Form
Exhibit 1

I. Grantee Information

(Make sure information is complete & accurate)

- A. Grantee: Energetic County
- B. Address: 123 Main Street
(Complete Mailing, including Suite, if applicable)
Energy, NM 88888
City, State, Zip
- C. Phone No: 505-827-1234
- D. Grant No: 20-E2530
- E. Project Title: County Detention Center
- F. Grant Expiration Date: 6/30/2024

II. Payment Computation

- | | | |
|---|---------------------|-----|
| A. Payment Request No. | <u>1</u> | B. |
| B. Grant Amount: | <u>\$600,000.00</u> | -C. |
| C. AIPP Amount (If Applicable): | <u>\$6,000.00</u> | -D. |
| D. Funds Requested to Date: | <u>\$0.00</u> | -E. |
| E. Amount Requested this Payment: | <u>\$76,050.50</u> | -F. |
| F. Reversion Amount (If Applicable): | <u>n / a</u> | G. |
| G. Grant Balance: | <u>\$517,949.50</u> | |
| H. <input type="checkbox"/> GF <input type="checkbox"/> GOB <input checked="" type="checkbox"/> STB (attach wire if first draw) | | |
| I. <input type="checkbox"/> Final Request for Payment (if Applicable) | | |

- III. Fiscal Year : 2021

(The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)

Request for reimbursement

IV.



Reporting Certification: I hereby certify to the best of my knowledge and belief, that database reporting is up to date; to include the accuracy of expenditures and grant balance, project status, project phase, achievements and milestones; and in compliance with Article VIII of the Capital Outlay Grant Agreement.

V.



Compliance Certification: Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; and that the grant activity is in full compliance with Article IX, Sec. 14 of the New Mexico Constitution known as the "anti donation" clause.

John Fiscal, CPA

Grantee Fiscal Officer
or Fiscal Agent (if applicable)

Jane Manager

Grantee Representative

John Fiscal

Printed Name

Jane Manager

Printed Name

Date: date signed

Date: date signed

(State Agency Use Only)

Vendor Code: _____

Fund No.: _____

Loc No.: _____

I certify that the State Agency financial and vendor file information agree with the above submitted information.

Division Fiscal Officer

Date

Division Project Manager

Date

Request for Reimbursement

❖ After paying a 3rd party vendor, submit pay requests to LGD

▪ Pay requests will include financial documentation:

- Pay request form (exhibit 1)
- Proof of payment (copy of both sides of check)
- Supporting documentation (invoice, P.O.)
- LGD approved N00
- Any other relevant information



Common questions



❖ What happens after I turn in my pay request?

- Reimbursement process involves multiple people from multiple divisions
 - Local Government Division → Administrative Services Division → Board of Finance → Financial Control
- Reimbursements using STB funds are made two (2) times per month
 - On or about the 1st and 15th
- Reimbursements using general funds are made as they are received and processed

How Do I Find Out Whether a Project was STB or GF?

❖ 1st Page of grant agreement

- FUND 93100 = general fund
- FUND 89200 = STB

❖ CPMS

- GF = general fund
- GFR = general fund, reauthorized
- STB = severance tax bond
- STBR = severance tax bond, reauthorized

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
FUND 89200 CAPITAL APPROPRIATION PROJECT

341	05001	E2528	CLOVIS PARK PLAYGROUND IMPROVEMENTS	STB	\$75,000	\$75,000	\$75,000	***	E2528
341	05000	E2529	CURRY CO COURTHOUSE IMPROVE & REN	STB	\$2,000,000	\$2,000,000	\$2,000,000	***	E2529
341	27000	E2530	DE BACA CO DETENTION CTR	STB	\$600,000	\$600,000	\$600,000	***	E2530
341	27001	E2531	BOSQUE REDONDO PARK LAKE IMPROVE	STB	\$150,000	\$150,000	\$150,000	***	E2531
341	07000	E2532	CHAPARRAL SPORTS COMPLEX FEAS STUDY	STB	\$138,000	\$138,000	\$138,000	***	E2532

Summary

❖ Capital Outlay cycle, funding & project types

❖ 2020 Capital Outlay

- HB 349
- HB 355
- SB 5 (Special Session)

❖ Grant Agreement

- Encumbrances (Notice of Obligation)
- Reporting
- Pay requests



Fair Housing

❖ Fair Housing Act (1968)

- https://www.hud.gov/program_offices/fair_housing_equal_op/fair_housing_act_overview
- Right to choose house free from unlawful discrimination
- Nobody is discriminated against in property transactions on the basis of his or her protected class
 - How to file a complaint
(https://www.hud.gov/program_offices/fair_housing_equal_op/online-complaint)
 - ☐ Online
 - ☐ Phone
 - ☐ Mail



Thank you for listening!



Questions?