

# BUDGET REQUIREMENTS FOR COUNTIES

DFA LOCAL  
GOVERNMENT  
DIVISION  
BUDGET AND  
FINANCE  
BUREAU

PRESENTED BY:  
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COATES AND  
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BUDGET  
ANALYSTS

# Over-View Budget

Budget

Debt  
Schedule

Supporting  
Schedules

Reporting

Lodgers  
Tax

## Who Are We?

We, the Budget & Finance Bureau (BFB), are public stewards hired to ensure and implement New Mexico statutes, rules and regulations related to budgets, records, reports and the disbursement of public monies, including transfers between funds, to maintain budget and fiscal integrity for the benefit of the citizens of New Mexico.

Likewise, the Local Governments (**MUNICIPALITIES AND COUNTIES**) are required to keep all books, compile reports and conform to all rules and regulations adopted by the Local Government Division/BFB and your governing body (Council or Commission).

# Why does DFA/LGD exist?

CHAPTER 6, ARTICLE 6 OF THE NEW MEXICO STATUTES ANNOTATED (NMSA) 1978 REQUIRES THE LOCAL GOVERNMENT DIVISION, BUDGET & FINANCE BUREAU (BFB) TO OVERSEE ALL MONEY RECEIVED OR SPENT BY A LOCAL GOVERNMENT WHICH MUST BE BUDGETED AND ACCOUNTED FOR IN ACCORDANCE WITH NEW MEXICO LAWS

# WHAT DO WE DO?

## ***BFB REVIEWS AND APPROVES OPERATING BUDGETS***

- to assure compliance with state statutes
- properly account for revenues and expenditures

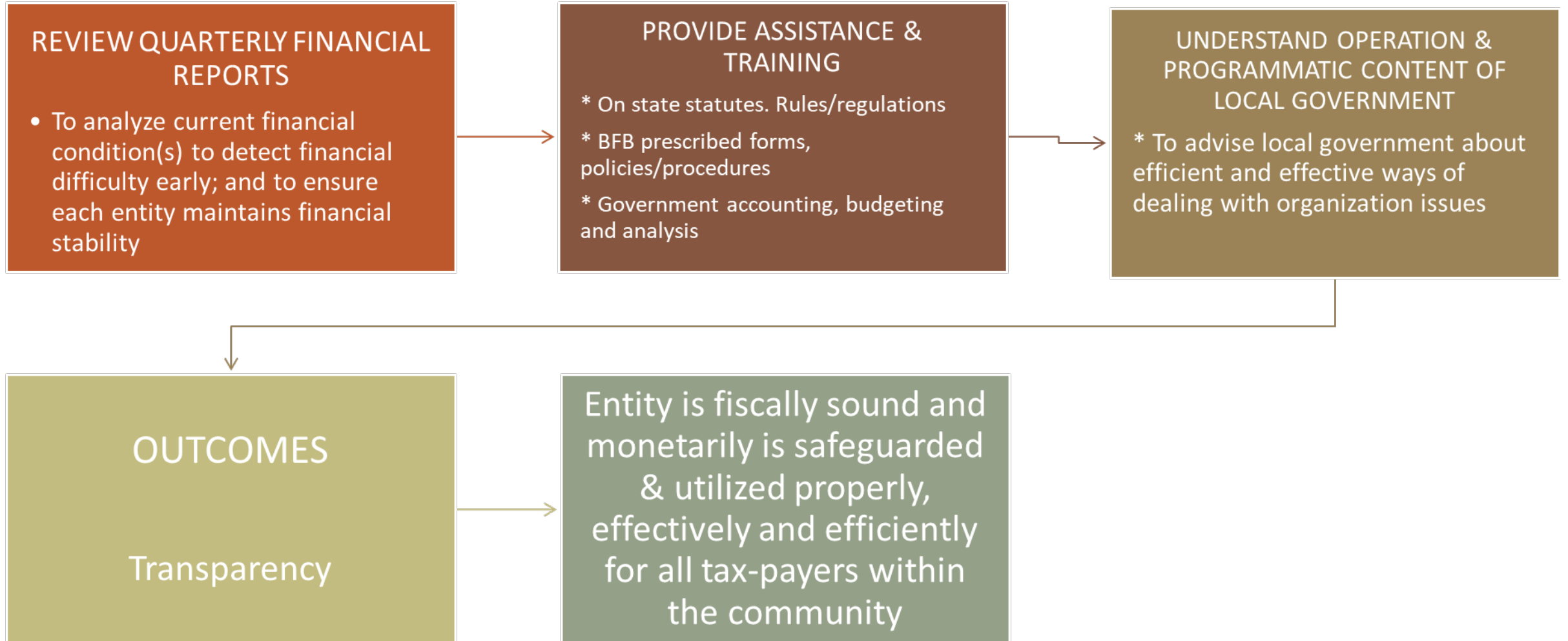
To ensure local governments do not exceed available resources

and to ensure sufficient funds are budgeted to cover required Expenditures

## ***REVIEW AND APPROVE BUDGET ADJUSTMENTS RESOLUTIONS***

Budget Adjustment Requests (State Bars)

# WHAT DO WE DO?



## *LOCAL GOVERNMENTS RESPONSIBILITIES*

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- Provide for public safety, fire, police and other emergencies
- Provide public health: water, wastewater, solid waste and indigent care
- Fulfill objectives and goals of all stakeholders
  - Submit operating budget timely to BFB for approval;
  - Operate within BFB approved budget [final budget + adjustments (BARs)];
  - Ensure that BARs are prepared timely and submitted for BFB approval when required
- Submit timely Quarterly Financial Reports
- Conform to rules and regulations as required by BFB
- Comply with reporting requirements that demonstrate accountability to the citizens served by the local public body; and
- Ongoing communication, training and presenting the governing body with relevant financial reports showing the revenues, expenditures, budget adjustments, and balances for each fund

# What is a Budget?

Forecasted Financial Plan over a specific time (July 1<sup>st</sup> to June 30<sup>th</sup>) local government's fiscal year;

Using historical data and economic trends to project revenues and expenditures for upcoming year.


- Monetary Plan
- Communication Tool
- Legally Binding Contract

**ONE BUDGET** that is reviewed and approved in  
**TWO STAGES** – *Interim* and *Final*.



# What is the difference between Budget and Actuals?

*Budget ...is a forecasted financial plan for a period of time, such as a fiscal year.*



*Actuals... represent year-to-date activity that has occurred rather than forecasted*

Revenues, expenditures, and transfers budget authority. Budgets rounds cents up and actuals do not round up or down.

If actuals exceed the FINAL budget approval amount a BAR is required at a FUND level, this is considered a STATE BAR that requires BFB approval.

Transfers within a fund is a LOCAL BAR that requires your local governing board's approval and must follow your local governments internal policy and procedures.

Quarterly reports are submitted based on Year-to-date Actual expenditures, revenues and transfers between Funds. Cents should not be rounding up or down.

Submit all BARs for the applicable quarter prior to submitting your quarterly report so that adjustments will reflect on LGBMS reports.

# What is a Balanced Budget?

*Best Practice* - Expenditures do not exceed revenues (Section 6-6-6 expenditures are limited to revenues)

*Fund Level* ending cash balance should be zero or positive; ending cash balance should not operate in the deficit

# STEPS IN DEVELOPING A BUDGET

- **Preparation.....**



- **Approval.....**



- **Execution.....**



- **Review.....**



## Techniques/Areas

Forecasting revenues and expenditures, cost analysis, capital budgeting, debt administration and other personnel issues, assessing financial conditions, and economic development

Review of information developed in preparation stages

Accounting, revenue administration, expenditure administration, purchasing, cash management, and investments

Reviewing with Governing Body, Auditing



The online system that local governments use to submit the entity's budget and financial data to DFA/LGD to meet reporting requirements per Section 6-6-2 NMSA 1978.

Expanded standard chart of accounts; 24/7 online access; ability to enter upload data; better data validation and accuracy; and submission, communication and action tracked within the system.



**5 Modules: Budget, Adjustments, Reporting, Outstanding Debt, Lodgers Tax**

Select **Classification Year**(per statute, done biennially on even years)  
 Select **Valuation Data**(most current final tax year valuations)  
 Select **Population Data**(most current annual data or estimate from US census)  
 Select **Square Mileage Data**(most current info available)

2024  
 2022-23 Final  
 2022  
 2010 data

## 2024 County Classification

County	CLASSIFICATION	Maximum Allowable Salaries					
		Commissioners	Treasurer	Assessor	Sheriff	Clerk	Probate Judge
Bernalillo	A	\$39,106	\$86,626	\$86,626	\$90,338	\$86,626	\$38,114
Catron	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Chaves	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Cibola	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Colfax	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Curry	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
De Baca	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Dona Ana	A	\$39,106	\$86,626	\$86,626	\$90,338	\$86,626	\$38,114
Eddy	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Grant	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Guadalupe	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Harding	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Hidalgo	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Lea	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Lincoln	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Los Alamos	H	n/a	\$75,733	\$75,733	\$78,952	\$75,733	n/a
Luna	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
McKinley	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Mora	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Otero	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Quay	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Rio Arriba	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Roosevelt	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
San Juan	A	\$39,106	\$86,626	\$86,626	\$90,338	\$86,626	\$38,114
San Miguel	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Sandoval	A	\$39,106	\$86,626	\$86,626	\$90,338	\$86,626	\$38,114
Santa Fe	A	\$39,106	\$86,626	\$86,626	\$90,338	\$86,626	\$38,114
Sierra	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Socorro	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Taos	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Torrance	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482
Union	B-Intermediate	\$21,534	\$64,844	\$64,844	\$67,814	\$64,844	\$15,098
Valencia	B-High	\$30,196	\$75,733	\$75,733	\$78,952	\$75,733	\$26,482

(Counties will be reclassified April 2026)

*In accordance with Section 4-44-1, 4-44-2, 4-44-3, 4-44-4, 4-44-4.1, 4-44-5, 4-44-12.3, 4-44-14 NMSA 1978.*

*Pursuant to Section 4-44-14A "the governing body of an H class county shall designate whether the office of treasurer, assessor, sheriff or county clerk is part-time or full-*

Maximum Allowable Salaries for Part-Time (applies to H class - Los Alamos)						
Commissioners	Treasurer	Assessor	Sheriff	Clerk	Probate Judge	
\$15,844	\$7,922	\$7,922	\$7,922	\$7,922	\$4,636	



# Memo: BFB #24-04

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Wesley Billingsley, Division Director

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## MEMORANDUM BFB #24-04

TO: New Mexico Counties and Municipalities

FROM: Wesley Billingsley, Director, Local Government Division

DocuSigned by:  
Wesley Billingsley  
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DATE: February 21, 2024

SUBJECT: Fiscal Year 2024-25 Budget Preparation & Submission Guidelines for Counties and Municipalities

- Adopting and applying a formal policy that strictly disallows recurring expenditures from cash balances and non-recurring revenues,
- Implementing an immediate freeze on all current vacant employee positions (excluding health and public safety services positions) as well as increases to employee salaries (excluding union contractual obligations),
- Implementing an immediate freeze on any new non-essential contracts that affect the General Fund,
- Discontinue the practice of providing funds to any non-profit organizations that are not tied to a legislative appropriation

### INTERIM Budget Deadlines

Counties & Municipalities	Budget Submittal on LGBMS	June 1, 2024 (Submission extensions cannot be granted)
	Budget Resolution	June 1, 2024 (Optional at this date)
	Property Tax Resolution	June 1, 2024 (Changes to the operating or GO Bonds mill levy)
LGD	Interim Approval Letter	July 1, 2024

NOTE: Approval of the interim budget designates it a legal binding document until the final budget is approved.

### FINAL Budget Deadlines

Counties & Municipalities	Budget Revisions on LGBMS	July 31, 2024
	Budget Resolution	
	Budget Supporting Schedules	
	4th quarter report	
	4th quarter report Resolution	
LGD	Final Approval Letter	September 6, 2024

NOTE: Approval of the final budget designates it as a legal binding document. The final budget as approved on LGBMS is the official budget of record for your local government.

Sample resolutions for budget and 4th quarter report adoptions can be found at the following link:  
<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-forms/>

### Supporting Schedules

Required schedules that support the budget are listed below and can be found at the following link:  
<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-forms/>

Property Tax Calculation Worksheet	Calculates projected property tax revenue.
Debt Schedule	Lists all outstanding debt (loans, revenue & general obligation bonds). <i>Electronically in LGBMS.</i>
S-5 (DETAIL OF NON-BUDGETED RESERVE REQUIREMENTS form)	Lists additional reserves (not LGD required reserves which are automatically calculated by LGBMS) and must tie to amounts reported in LGBMS under Object Code 10105 Locally Imposed Reserve.
Revenue Checklist	Lists all GRT imposed increments including intercepted GRT amounts [refer to Memorandum #BFB-19-02 "Guidelines for Reporting Gross Receipts Tax and Various Intercepts" however, due to de-earmarking of GRT revenue (enactment of 2019 House Bill 479), local governments have more discretion in budgeting revenue so long as "GRT" LGBMS line items are used for tracking purposes; refer to Memorandum #BFB-21-05 "Guidelines on Revised GRT Reporting Codes"] located on our website: <a href="https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-memos/">https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/budget-memos/</a> .
Form S-2 (SCHEDULE OF INSURANCE)	Lists all insurance costs.
Salary Schedule	Lists salaries and benefits associated with each budgeted position; [Personnel schedules generated from your systems will be accepted].
County Elected Official Salary Schedule	Lists salaries of all county elected officials to review compliance with NM Statutory caps.
FY24 Co-Muni Budget Work Plan Questionnaire	Describes major issues affecting an entity's FY2024-25 budget and how those factors are being addressed in the budget.

### 4th Quarter Report

This report must be submitted on the LGBMS Reporting Module, under the "FY2024 Q4" reporting period. A governing body approved resolution approving the 4<sup>th</sup> Quarter Report is also required and must be attached in the "files" menu of the LGBMS Reporting Module.

We cordially provide the following guidelines to ensure statutory compliance with Section 6-6-2 NMSA 1978 that requires each local public body to furnish and file with the Department of Finance and Administration (DFA), Local Government Division (LGD) a proposed (interim) budget for the next fiscal year. Furthermore, this statute authorizes the LGD to prescribe the form for all budgets, books, records, and accounts for local public bodies.

Pursuant to Section 6-6-2.K. NMSA 1978, DFA/LGD requires that Fiscal Year 2024-25 interim budgets for counties and municipalities be submitted on the Local Government Budget Management System (LGBMS). Additionally, budget supporting schedules in the prescribed Excel format must also be submitted electronically as attached files via LGBMS.

Please note, submission of a NEW Security Access Form (SAF) for each individual within your local government who requires access to the system for Fiscal Year 2024-25 is required. To safeguard the data submitted on LGBMS, be sure to submit a SAF to deactivate the account of anyone that no longer in need of access to the system or has left your organization.

The Security Access Form (SAF), LGBMS User Guide, LGBMS FAQ document, and other information can be found going to the following link:

<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/lgbms/>

### Guidance and Tips

We offer the following recommendations in preparing a balanced interim budget, in the event your local government is facing financial/budgetary challenges:

### Additional Required Items

#### Resolutions



<https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/lgbms/>

**This concludes the presentation. We can now answer any questions you may have?**