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MEMORANDUM BFB #19-05

TO: New Mexico Local Governments

FROM: Donnie J. Quintana, Director 
Local Government Division

DATE: May 16, 2019

SUBJECT: Budget Guidelines on Capital Outlay Appropriations

If your local government has received capital outlay appropriations and you are planning on fully or partially expending the proceeds during this current Fiscal Year 2018-2019, you must have budget authority to do so. If the capital outlay appropriations are not already included in your current approved budget, a budget adjustment request (BAR) must be processed as soon as possible in order to avoid over expending your budget and to prevent an audit finding for exceeding budget authority. This requirement is applicable irrelevant to the state agency overseeing the capital outlay appropriation.

Pursuant to Section 6-6-2H NMSA 1978, the Department of Finance and Administration, Local Government Division (LGD) is required to approve all budget increases not included in the final approved budget. For all counties and municipalities, BARs are required to be submitted on the Local Government Budget Management System (LGBMS) after approval by the local governing body via resolution.

Furthermore, please include all capital outlay appropriations in your Fiscal Year 2019-2020 interim budget which is due to LGD no later than June 1, 2019 via submission on LGBMS.

LGBMS Revenue Code 47300 State Legislative Appropriations should be used. Fund 30300 State Legislative Appropriation Project is recommended, but any other Fund deemed appropriate by the local government may also be used. However, please do not use 11000 General Operating Fund because the identity of the project as a capital outlay appropriation will be lost.

If you have budget related questions, please contact your assigned LGD Budget Analyst or call the main LGD number at (505)827-8051.

xc: Brenda L. Suazo-Giles, Chief, Budget and Finance Bureau (BFB)
BFB Analysts