



Updated November 2018

Frequently Asked Questions (FAQ)

LGBMS Overview

1. What is the Local Government Budget Management System (LGBMS)?

It is an online system that local governments will be **required** to use in order to submit their budget and financial data to DFA, Local Government Division (LGD) to meet reporting requirements per Section 6-6-2 NMSA 1978.

2. When will reporting on LGBMS be required?

Counties and Municipalities on June 1, 2018 for Fiscal Year 2018-2019. **Special Districts** will be phased in after January 1, 2019 for Fiscal Year 2018-2019 entities and Calendar Year 2019 entities (phase-in schedule to be determined as soon as Phase III contract is executed).

3. What are the benefits of LGBMS?

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

4. What if my small local government doesn't have internet access?

LGD is partnering with various organizations (such as Acequia Commission, Soil & Water Conservation Commission, Land Grant Council, etc.) who may be able to assist small local governments with obtaining internet access. Also, it is a good idea to collaborate with your local public school or public library to request the use of a computer with internet access.

5. Does my local government have to purchase new accounting software in order to report on LGBMS?

No, LGD is not requiring any local government to purchase new accounting software. That is strictly a local decision. Local governments will have free access to LGBMS.

6. What are the minimum hardware requirements for accessing LGBMS? (share with your internal IT)

Internet capable computer with: 1) Windows 7 and newer; and 2) Mac OSX 10.6 aka Snow Leopard; 3) Computer with 4 Gigabyte (GB) of Random-Access Memory (RAM); and 3) 2GHz processor.

7. What software is compatible when using LGBMS? (share with your internal IT)

Internet browsers: Internet Explorer, Chrome, Firefox and Safari. **Spreadsheets:** Microsoft Excel, Other (such as Numbers, Open Office Calc, etc.)

8. How do I get access to LGBMS?

A **Security Access Form (SAF)** is required to authorize all local entity users. Once the SAF is accurately completed and signed as per form instructions, the form must be emailed to the entity's assigned LGD Analyst for processing. Please allow at least 2 days for review/processing and look for an email message from "LGD.LGBMS@state.nm.us" for your user name and password. For a blank SAF go to LGBMS webpage: <http://www.nmdfa.state.nm.us/lgbms.aspx>

9. Who is responsible for the data submitted on LGBMS?

Local entity authorized users are responsible for entering, uploading and editing all data on LGBMS. Please note that LGD does not have access or authorization to add, edit or delete any data. However, LGD Analysts can request data revisions from a local entity authorized user as part of the budget, budget adjustment request (BAR), and quarterly report review and approval process.

10. How can I receive training on LGBMS?

There have been several hands-on training opportunities: 1) November 16 & 17, 2017 Budget Conference; 2) April 2 to April 6, 2018 hands-on training held in Santa Fe; and 3) November 15 & 16, 2018 Budget Conference. DFA/LGD will also coordinate training opportunities with various organizations that work with special districts. Keep an eye out for emails from your assigned LGD budget analyst on future training opportunities.

LGBMS Organization

11. How is the system organized?

LGBMS consists of 3 modules: 1) **Budget Module** (interim to final budget); 2) **Adjustment Module** (Budget Adjustment Requests (BARs) for Local and State approval); and 3) **Reporting Module** (year-to-date actuals on a quarterly basis).

12. What types of BARs can be submitted on LGBMS?

State BARs (those requiring DFA/LGD approval: increases/decreases to Fund level and transfers between Funds) and **Local BARs** (those not requiring DFA/LGD approval and are approved at the local level: any adjustment within a Fund so that overall budget authority in a Fund remains unchanged).

LGBMS Standard Chart of Accounts (COA)

13. Why is LGD implementing a new standard Chart of Accounts (COA)?

The new standard COA used on LGBMS is more detailed than the previous LGD budget forms on Excel. Of the 400+ local entities that report to LGD, it is likely that there are 400+ different COA's being used. The goal of the new standard COA is to standardize the data as much as possible in order to provide more accurate and comparable information to the Governor's Office, state agencies, and the Legislature to assist in funding decisions.

14. Does my local government have to change its internal Chart of Accounts (COA) to report on LGBMS?

No, LGD is not requiring any local government to change its internal COA. However, local governments will have to **cross-walk** their COA to the new standard COA.

15. How do I cross-walk my internal COA to the new standard COA?

There are many methods for cross-walking. For example, if you are a small local entity, you can use a copy of one of your internal financial documents (i.e. budget, profit & loss report, etc.) and then hand write in the best match from the standard COA for each amount listed. Larger local entities will likely want to create an Excel workbook to match up their hundreds of accounts to the best match from the standard COA. If your accounting software allows an additional account string to be coded to your internal COA, then you can add in the best match from the standard COA for each of your local accounts. If you need assistance determining the best way to cross-walk, please first seek assistance from your internal IT department who may have some ideas to simplify the process. You can also contact your assigned LGD Analyst to discuss ideas.

16. Are there resources available to help me with cross-walking?

Yes, there are many resources available on the **LGBMS webpage**:

<http://www.nmdfa.state.nm.us/lgbms.aspx>

- Excel Workbook files with the standard COA:
 - Start with the “Chart of Accounts Structure (Read Me First)” link to get familiar with the COA structure and for account definitions.
 - File links by Fund Type (“General Fund”, “Special Revenue”, etc.) for valid account strings.
 - DFA/LGD is working on Excel Workbook files by special district type which will be easier to navigate for smaller local entities. Target release date is 1/31/18.
- COA cross-walk tips:
 - Word document with cross-walking tips.
 - Video tutorial on cross-walking (approximately 45 minutes).
 - Word document with script from video tutorial to be used as a reference.
- COA cross-walk examples:
 - Various documents to illustrate a cross-walk for a small local entity.
 - Various documents to illustrate a cross-walk for a medium local entity.

17. What are the components of the standard COA?

There are 3 components: **Fund, Department, and Object Code**. Each combination of these 3 components/codes makes up the *account string/budget line item*. Please note that future enhancements to LGBMS may introduce new components/codes (such as program, job class and location). However, for implementation, only use Fund, Department and Object Code.

18. What if I don't find an exact Fund match on the standard COA?

The goal of the standard COA is to capture the detail necessary for LGD to provide good oversight and to provide accurate and comparable data for other stakeholders to make decisions on. Therefore, not

every possible Fund used by each of the 400+ local entities will be on the standard COA. You will need to find the best Fund match available. However, it is perfectly fine to keep your internal detail as is; however, you may need to roll up (i.e. add up) any multiple Funds that match up to the same standard Fund for reporting to LGD.

19. Do I need a specific department for all my accounts?

No, please use code **0001 No Department** for *Cash, Revenues and Transfers*. Only Expenditures require a specific department code (i.e. 1001 Governing Body, 2002 General Administration, etc.)

20. Why aren't "transfers" considered expenditures?

"Transfers" are considered other financing sources and uses since the "transfers in" and "transfers out" object codes are used to track the movement of budget between Funds. Therefore, they are not classified as expenditures or revenues in the standard COA.

21. What if my local government isn't organized by department?

Small local entities that are not organized by department can select the best department match, or can use **2002 General Administration**. The purpose for tracking expenditures by department is more applicable to counties and municipalities. Therefore, special districts need not be overly concerned about the department they select; however, if in doubt, please contact your assigned LGD Analyst.

22. Why aren't all department codes available for each Fund?

In order to keep the size of the standard COA manageable, the **11000 General Fund** has the most choices for departments since this is the Fund in which most financial activity occurs. For other Funds, please only use those departments that are available in the standard COA. Please note that most other Funds only have **2002 General Administration** as an option. It is perfectly fine to keep your internal detail as is; however, if you have multiple departments that aren't a valid option for a particular Fund on the standard COA, just roll up (i.e. add up) all of the departments and report under **2002 General Administration**.

23. What happens if I use a department that is not a valid option on the standard COA?

Only valid account strings will be allowed on LGBMS. Therefore, if you use a department code that is not a valid option for a particular Fund, that account string and amount you are reporting will not be allowed for entry or upload.

24. Why aren't all object codes available for each Fund?

In order to keep the size of the standard COA manageable and to accommodate only allowable expenditures for certain special revenue or otherwise restricted Funds, not all object codes may be available for a particular Fund. You will need to find the best object code match from the available choices on the standard COA. However, it is perfectly fine to keep your internal detail as is; however, you may need to roll up (i.e. add up) any multiple object/line items that match up to the same object code.

25. Do I need to determine my Entity Type before submitting data on LGBMS?

No. Each local entity will be assigned an “entity type” by the system administrator. Sample entity types are county, municipality, soil and water conservation district, water and sanitation district, hospital district, and many other special district types.

26. Do I need to know what my Entity Code is before submitting data on LGBMS?

No. Each local entity will be assigned an “entity code” by the system administrator. Each system user will be matched up to an entity; therefore, based on the user name, LGBMS will know which entity code the data belongs to. A current list of entity codes can be found on the “Chart of Accounts Structure (Read Me First)” link on the LGBMS webpage. Please note that LGD is still working on adding the 200+ special districts, but the list will be complete prior to system implementation of special districts.

27. Do all Funds need to be entered/uploaded to LGBMS?

Yes, all Funds on a local entity’s internal accounting system must be reported on LGBMS. These include Funds in all of the **7 Fund Types**: General, Special Revenue, Capital Projects, Debt Service, Enterprise, Internal Service, and Trust & Agency.

28. How do I determine which Fund to use?

Fund definitions can be found on the “Chart of Accounts Structure (Read Me First)” link on the LGBMS webpage. Please read the definitions to determine the best match keeping in mind that you may not find a one-to-one match and may have to roll up (i.e. add up) two or more of your internal Funds to one of the standard Funds. If you need assistance in determining which Fund to use, please contact your LGD Analyst for guidance.

29. Will the standard COA change from year to year?

There will be annual updates to the standard COA based on feedback received from local entities. For example, the Excel workbooks titled “SUPPLEMENT 1” and “SUPPLEMENT 2” which are available on the LGBMS webpage <http://www.nmdfa.state.nm.us/lgbms.aspx> include COA updates based on feedback received from the 22 LGBMS Phase 1 pilot group participants. Email correspondence from LGD Analysts will be sent out anytime there are updates to the standard COA and all updates will be posted to the LGBMS webpage. We welcome your feedback on the COA; however, keep in mind that the goal is not to match your internal COA line for line and, therefore, unless your suggestion impacts a significant number of other local entities, your suggestion may not be implemented.

LGBMS Templates

30. Are there templates available for uploading data to LGBMS?

Yes, each module on LGBMS will have a “button” for downloading templates. The templates available to you will be based on your entity type (county, municipality, special district, etc.) **ALWAYS** use the most current template available on LGBMS and **do not modify the valid account strings in any way**. Therefore, do not delete any columns or rows. You can hide rows if needed or just don’t enter an amount for rows not applicable to your entity and those rows will be ignored when uploading data on LGBMS.

31. What is the purpose of a template?

Templates contain each valid account string combination available to your entity. It is important to utilize the templates to ensure that you are only reporting amounts for valid account strings. Invalid account strings will not be uploaded to LGBMS.

32. Can I create my own template file from my Excel cross-walk file?

Yes, as long as only the columns shown on the LGBMS templates are used in your template file and only valid account string combinations are used. Also, it is important to save your Excel file in "CSV" (comma separated value) format.

33. How do I save an Excel file in "CSV" format?

1) Go to the "File" menu on Excel and click on "Save As"; 2) Click on "Browse" folder on right side of screen; 3) Change the filename if necessary; 4) Use the down arrow under the "Save as type" box (last box on screen) and select "CSV (comma delimited)" option; and 5) Click the "Save" button.

34. How, and why, should I use filters in Excel?

Using filters in Excel will help to reduce the amount of rows you will need to enter amounts for on the template available for download on LGBMS. If you are not familiar with using filters, follow these steps: 1) Go to Cell A1 of your Excel spreadsheet; 2) Go to the "Home" menu and click on "AZ Sort & Filter" button (funnel icon) to add a filter for each column; 3) Go to the first row of a column and click the down arrow box; and 4) Click on the various filters (such as certain object codes, amounts, etc.) For example, if your local entity doesn't use the 50700 Housing Enterprise Fund, once you have added the filter using the steps above, you can go to the "Fund" column and click the filter icon (looks like a funnel) and only select 50700 Housing Enterprise. You will now see only those account strings associated with this Fund and you can then hide those rows. Because you won't be entering any amounts for hidden rows, those rows will not be uploaded to LGBMS.

LGBMS Modules (most common questions)

Remember: Modules should be used in the same order as the fiscal year reporting process:

Budget → Adjustments (BARs) → Reporting (year-to-date actuals for each quarter)

35. Why do I need to report beginning cash balances in the Budget Module?

The standard COA contains object codes for cash (both restricted and unrestricted) because many local entities depend on cash to balance their budget when expenditures exceed revenues. Therefore, it is required that beginning cash balances be reported in the Budget Module. During the Final Budget stage, all entities must report their July 1st cash balance for each Fund which match the June 30th cash balances from the 4th quarter report of the fiscal year just ended. Calendar Year entities must report January 1st cash balance for each Fund which match the December 31st cash balances from the 4th quarter report of the calendar year just ended.

36. What are the cash object codes to be reported in the Budget Module?

10101 Unrestricted Cash and **10102 Restricted Cash**. These cash object codes are available for each Fund.

37. How does my budget move from the Interim stage to the Final stage in the Budget Module?

Remember: 1 Budget – 2 stages. Local entities should prepare 1 annual budget that will go through 2 stages of review/approval: **Interim** stage and **Final** stage. The annual budget should be entered/uploaded during the Interim stage. LGD will then grant interim approval and a letter addressed to the County Commission Chairperson, Mayor, or Executive Director will be mailed with outstanding items needed for the final stage. Once the LGD Director approves the interim budget on LGBMS, a copy of the budget is saved as the final budget and only the cash object codes will be unlocked for entity to update based on cash balances from the year just ended. Once the final budget is approved on LGBMS, a budget certification letter addressed to the County Commission Chairperson, Mayor, or Executive Director will be mailed and the budget becomes legally binding on all local officials.

38. What if I need to revise other object codes besides cash for my final budget in the Budget Module?

Any other changes besides beginning cash balances should be coordinated with your assigned LGD Analyst who can unlock Funds and/or budget line items and send those back to you for revision. Please utilize the “comments” function on LGBMS to communicate with your LGD Analyst.

39. How can I verify that the data was entered/uploaded to LGBMS correctly in all Modules?

All LGBMS Modules have a **message bar at the top of the screen that is color coded** as follows: BLUE = informational message giving direction; GREEN = successful submission and will also note the number of items uploaded if applicable; ORANGE = exception that will still allow user to submit data; and RED = error that requires correction before data can be submitted. Users should also utilize the **Recap report** available in each Module that can be generated on screen and in “PDF” version for printing to compare Fund level totals to internal documents. Also, there is an **export button** which will generate an Excel spreadsheet with the entered/uploaded data for each module.

40. Will supporting schedules still be required, and how do I submit them on LGBMS in all Modules?

Yes, the budget supporting schedules (salary, insurance, debt service, investments, etc.) are still required. Use the **file upload function** within the LGBMS Budget Module to attach budget supporting schedules to your local entity’s budget submission. Also attach supporting schedules to the Reporting Module to support your year-to-date quarterly report (investments and adjustments to cash schedules). **Refer to the LGBMS User Manual for instructions on uploading files.**

41. What supporting documentation is required with State BARs in the Adjustment Module?

All State BARs require that a governing body approved resolution be attached using the **file upload function**.

42. When I am entering a Local BAR into the Adjustment Module, do I need to reference a resolution number?

No, it is sufficient to note “internal BAR” on the resolution field. Resolution numbers are only required for State BARs. However, always follow local policy for obtaining the proper Local BAR approval.

43. How do I adjust cash balances within the Reporting Module?

Remember: Beginning cash balances cannot be changed! However, there are times that cash balance is affected other than by a revenue, expenditure or transfer between Funds. In those cases (such as audit adjustment to cash, stale dated checks, etc.), quarterly ending cash balance can be adjusted by using **12001 Receivables** and/or **21001 Payables**.

44. How do I use 12001 Receivables and/or 21001 Payables to adjust cash in the Reporting Module?

Use 12001 Receivables to report positive adjustments to cash and use 21001 Payables to report negative adjustments to cash. Remember to report the detail of all cash adjustments on the Adjustments Schedule and then attach under “files” menu (refer to User Guide for instructions).

45. How do I report investments within the Reporting Module?

Report YTD actuals under 10103 Investments.

46. How do I use 12001 Receivables and/or 21001 Payables to move between investments and cash in the Reporting Module?

Report the amount moved from cash to investments under 21001 Payables which will reduce cash on Report Recap. Report the amount moved from investments to cash under 12001 Receivables which will increase cash on Report Recap. Remember to attach a copy of the quarterly Investment Schedule under “files” menu (refer to User Guide for instructions).

LGBMS Standard Reports (available in All Modules)

47. What is the Recap Report?

Shows the “**Big Picture**” by Fund. Cash, Revenues, Transfers, Expenditures, (Adjustments to cash - quarterly only). Shows Fund level ending balances.

48. What is the Detail Report?

Shows data as reported in the particular Module for the particular period. Data is sorted by Fund & Department and detail is shown by Object Code (i.e. Property Tax, Gross Receipts Tax, Franchise Tax, etc.)

49. What is the Summary Report?

Shows data as reported in the particular Module for the particular period. Data is sorted by Fund & Department and detail is shown by Object Code “categories” (i.e. “Taxes – Local Effort” would include list under “Detail” in #48 above.)

50. What is the Transfers Report?

Shows data as reported in the particular Module for the particular period. Data is sorted by Fund & Department and detail is shown by “transfer” Object Codes – Transfers In and Transfers Out.

*******ALWAYS REFER TO YOUR LGBMS USER GUIDE FOR DETAILED INSTRUCTIONS*******