



STATE OF NEW MEXICO CAPITAL OUTLAY PROGRAM
BERNALILLO COUNTY – GRANT RECIPIENT OF CAPITAL OUTLAY FUNDS FOR USE BY
NON-PROFIT/GOVERNMENTAL AGENCIES

FAQ SHEET – GOVERNOR SIGNED LEGISLATION

Bernalillo County has created a FAQ sheet to assist Non-Profit Organizations (NPOs) in navigating the State’s capital outlay appropriation process **AFTER** appropriations have been approved by the Legislature and signed into law by the Governor. This is not a complete list of requirements as the State of New Mexico (State) may require more documentation, etc. to be supplied prior to approval for spending funds:

- **PER THE STATE**, even though an NPO may have received an appropriation from the Legislature and given final approval by the Governor; the DFA and the Attorney General’s Office (AGO) may have more criteria (conditions) that must be met by the NPO prior to approval for expenditure of the funds;
- **PER THE STATE**, Capital Outlay Funds **cannot** be directly appropriated to a private, non-governmental or non-profit organization – the terms “fiscal agent” and “pass-through” are no longer relevant. The State grants funds to the local government only;
- **PER THE STATE**, any capital asset purchased using Capital Outlay Bond funds **must be owned** by the state or a political subdivision of the state (Bernalillo County is a political subdivision of the state), and **cannot be owned** by the NPO;
- **PER THE STATE**, the County and the NPO must enter into a contract agreement that identifies; (1) how the NPO is providing a fair market value for the use/lease of the capital asset; (2) how the fair market value was derived; and (3) how/when the NPO will report on the services provided prior to receiving approval from the DFA to spend the funds. The State reserves the right to reject the contract agreement;
- **PER THE STATE**, the County must “front” the capital outlay appropriation from the County’s budget. The County must wait for State approval for both purchases (first) and reimbursement of cost of purchase (second) for the project. The State can choose not to reimburse the County if it feels contract and/or appropriation language has not been met by the County/NPO;
- **PER THE STATE**, Severance Tax Bond (STB) funds are the source of appropriation from the State and are sold only two times per year - June and December;
 - If the County does not have advance knowledge of the NPO’s legislative appropriation, the County may not be able to approve the sale of bonds until the NPO provides State required information to the County.
 - Currently, the DFA approval for notice of appropriation approval is averaging six (6) to twelve (12) months after the sale of the bonds.
 - Most capital outlay grant projects must be completed (spent) within a three-year period.
 - Example: Appropriation in March, 2016 has a deadline of June 30, 2019.



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- **PER THE STATE**, the DFA does not reimburse project expenditures that were made prior to the County's receipt of the DFA's Official Notice of Obligation letter. (If the NPO purchases a service or equipment directly, the NPO will be responsible for payment in full.) The County will not purchase or begin a project prior to receiving the DFA's Official Notice of Obligation Letter;
- **PER THE COUNTY**, all purchases and/or requests for services must be procured by the Purchasing Department to ensure compliance with County procurement procedures and all applicable federal, state and county law

PLEASE NOTE

The State of New Mexico reserves the right to change or modify procedures and requirements. The County will usually be notified of a change in requirements during the actual process of receiving the Capital Outlay Funds. As these changes can require extended timeframes for compliance, an NPO must exercise patience! Bernalillo County pledges to provide customer support to the best of its ability in navigating the State's capital outlay appropriation process.