



MEMO

To: ACF Board of Trustees
From: Marisa Magallanez, COO
Date: September 25, 2024
Re: Audit Plan: Organization Focus

Overview

In addition to the memo provided to the Board by the CFO detailing the remediations to address the findings in the 2023 audit, this memo provides plans to address additional areas of the organization impacting the audit.

Staffing Capacity

In addition to filling the vacant position in the Finance Team, the Executive Leadership Team will continue to ensure that the Foundation is adequately staffed so not to unintentionally burden the CFO, particularly in the close-out months and months leading up to the audit. In addition, the roles and responsibilities of the CEO, COO and CFO will be reviewed and appropriately reconfigured to ensure a strong Executive Leadership Team with clarity on roles and decision-making purview. Finally, this review will ensure the CFO has time and space to execute the plans addressed in the CFO's memo to the Board. Key priorities include:

- Ensuring the CFO has adequate time from December – April to close out the fiscal year and prepare for the audit.
 - o The CFO has declined participation in several Foundation initiatives during this time to ensure prioritization of the audit closeout. (example: GGG Subcommittee Process).
- Ensure the CFO is appropriately engaged in organizational issues that arise during this time, leaning on the CEO and COO to address more substantially to avoid encroachment on CFO's time.
 - o The CEO, CFO and COO are developing updated roles and responsibilities.
- Ensure all ACF departments are adequately staffed so not to unnecessarily burden the CFO on organizational matters due to understaffing
 - o We are actively filling three vacant positions.
- Develop regular milestone check-ins between the COO and CFO to ensure the audit timeline and key tasks are on schedule and prioritized appropriately.

Human Resources

Earlier in 2023, we developed an initial restructure of our Human Resources department, which previously all fell to the CFO with occasional support from an HR Consultant. This initial restructuring increased the delegation of HR duties among several individuals: the Community Leadership & Learning Director, the HR Consultant, the Finance & HR Senior Associate, and the CFO. While this additional staff support has decreased the load on the CFO, we will review



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the current areas of scope, with plans to increase the responsibilities of the Community Leadership & Learning Director and the COO in the HR area.

New Mexico Community Trust

Executive Leadership will continue to monitor and address the relationship between ACF and NMCT, particularly as it pertains to the capacity of the Finance team. While NMCT has established a clear direction for NMCT (Intermediary Grantmaking/Fiscal Sponsorships, Capacity Building, and Traditional Community Foundation Services), the Executive Leadership Team will monitor growth in key areas including back-end services to out-of-state community foundations, intermediary grants requiring significant capacity from the Finance Team, and the overall pace of growth, ensuring that staffing capacity is on track with NMCT growth. Finally, staff may propose recommendations to the ACF/NMCT structure and shared staff agreement to ensure it is efficient and not causing unnecessary burden on the Finance team.