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## MEMO

To: Board of Trustees  
From: Nick Williams, Risk Management Committee Staff Liaison  
Date: February 11, 2025  
Re: Risk Management Committee Update

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At the February 4<sup>th</sup> meeting and subsequent email communication, the Committee reviewed the Foundation's Code of Conduct policy, noting the updates to Exhibit A and the Code of Conduct policy was good for use in 2025. Additionally, the Committee discussed and approved a process for minor updates to policies vs. substantial changes to policies. The Committee will be recommending a formal policy to codify this to the Board later this year.

The Committee reviewed a conflict of interest between Dr. Meriah Heredia-Griego, CEO of Levado Consulting and serving as a Trustee of the Board of the Albuquerque Community Foundation. The Foundation will be entering into a new contract with Levado Consulting and following the processes outlined in the attached memo to mitigate any risks associated with the conflict of interest.

Lastly, the Committee reviewed the Foundation's Policy Matrix. The Risk Management Committee will be establishing review timelines to ensure that each of the Foundation's policies is reviewed at least once every three years. The Committee also reviewed each policy related to the Foundation's upcoming Community Foundations National Standards accreditation. The Committee felt the policies were in good order.



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**To: Board of Trustees**  
**From: Nick Williams**  
**Date: February 11, 2025**  
**Re: Conflict of Interest for Potential Contract**

As you may remember, Meriah Heredia-Griego is the Co-Founder and CEO for Levado Consulting which NMCT has been contracting with for our Housing Stability program. Under that contract, which had been approved by Risk Management in 2024, Levado Consulting also started advising on our impact investment program. As part of the Foundation's community leadership work staff began looking for opportunities to incorporate what we had learned as part of our housing work into other aspects of our work. This led to Levado Consulting speaking with our Impact Investment Committee in 2024 and the Impact Investment Committee identifying housing as one of the key areas of priority for the impact investment program.

Foundation staff would like to enter into a new contract with Levado Consulting to allow them to continue to advise on the impact investment program. Levado Consulting has a unique expertise in impact investments and particularly impact investments related to housing. Additionally, based on their work with NMCT they have a unique knowledge of the work of NMCT and the Foundation in the housing area.

As a reminder, in 2022 Levado Consulting responded to a RFP put out by the New Mexico Community Trust ("NMCT") for a consultant job related to NMCT's administration of the Federal Housing Stability Program. An independent committee of community members reviewed the responses to the proposal and hired Levado Consulting for the work. This work occurred during 2022 and 2023 and was recently renewed in 2024 for a second stage of the work. This renewal was approved by the Risk Management Committee in 2024.

Foundation staff asked Levado Consulting to share with us how they would approach this conflict of interest. This is their response:

"To avoid any conflict of interest, all direct connection to decision-making, project management, and consulting related to the ACF/NMCT contract is assigned to Frank Mirabal, Co-Founder and Partner with Levado. As CEO, Meriah Heredia-Griego's role with the project is limited to internal management functions, such as staff time allocation, alignment with Levado's mission and vision, and fiscal management of the contract. We strive to keep internal 'arm's length' protocols in place to ensure that we can remain objective in our work and promote the highest-levels of integrity in what we do."

Based on guidance used by the Audit and Risk Management Committee in 2021 when analyzing a conflict of interest guidance staff reviewed the AICPA Conceptual Framework for dealing with actual and apparent conflicts of interest. While this guidance is focused on public accounting the committee at that time felt this was a helpful tool.



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The basic elements of the conceptual frameworks are:

- 1) Demonstration of awareness of conflicts of interest
- 2) Assessment and consideration of the facts and the policy and public perception
- 3) Determination of whether safeguards can be applied
- 4) Documentation and transparency of the analysis and conclusions.

Staff propose using this memo to demonstrate awareness of the conflict of interest. The Foundation's Code of Conduct policy states that the key to the policy is disclosure. Dr. Heredia-Griego's conflict is being disclosed and will be shared with the Board via a memo at the next Board meeting. Staff believe that approval of this contract with Levado Consulting would not be in violation of any Foundation policy and that the public perception of an approval would not be negative. There are multiple existing vendor relationships with other related parties and Foundation staff are not aware of any negative perceptions related to these relationships. Were an action need to be taken by the Foundation's Board regarding the impact investment program Dr. Heredia-Griego would be asked to abstain from that vote.

Additionally, Foundation staff are comfortable with the safeguards put in place by Levado Consulting. Dr. Heredia-Griego is not a member of the Impact Investment Committee which ultimately will be making decisions based on the recommendations of Levado Consulting.

Lastly, this memo and any additional documentation determined by the Risk Management Committee will be retained to demonstrate this analysis and conclusions reached by the Risk Management Committee.