

# **New Mexico Community Trust**

## **Staff Recommendation**

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## Recommendation

After careful consideration, the assessment concludes that NMCT should retain its current status as a separate non-profit corporation with ACF as its sole member and its own unique 501(c)(3) status. This approach preserves NMCT's legal and financial identity, safeguards existing and future contracts, and ensures accountability to the community while benefiting from ACF's governance and expertise.

Going forward, greater intentionality and alignment are recommended between ACF and NMCT. A unified board structure, with the ACF Board serving also as NMCT's board, will streamline governance. To balance this, a dedicated NMCT Advisory Committee, chaired by an ACF/NMCT Trustee and eventually including statewide representation, will provide strategic leadership and ensure statewide voices are integrated into decision-making. Financial management will also be improved by maintaining NMCT's distinct budget and audit, while simplifying billing through an annual service agreement and quarterly updates.

This approach strengthens alignment between ACF and NMCT while avoiding the disruption of a legal restructuring. It enhances efficiency in governance and financial operations, preserves important donor and partner relationships, and elevates NMCT's role as a trusted statewide partner. In short, the recommendation is to refine, not replace, the current structure—allowing NMCT to continue its growth with clarity, accountability, and impact.

## Governance

- **Unified Board:** All Trustees would serve as Trustees for both ACF and NMCT. All board meetings would cover the business of both organizations simultaneously, i.e. Trustees would vote to approve a consent agenda for ACF and then vote to approve a consent agenda for NMCT.  
*The New Mexico Society of CPAs served as an example for this recommendation.*
- **Advisory Committee:** NMCT would establish a focused Advisory Committee, chaired by a sitting Trustee. Eventually, the NMCT Advisory Committee would have statewide representation. The committee would:
  - Lead NMCT's strategic direction.
  - Report at every joint board meeting.
  - Ensure members serve on key ACF committees (Finance, Governance, Executive).
- **Committees:** ACF committees would also cover NMCT business, where appropriate.
- **Leadership:** The NMCT Advisory Committee Chair must be a current ACF/NMCT Trustee and would also serve on the Executive Committee.

## Financial Management

- **Separate Financial Identity:** NMCT will maintain a distinct budget, and 990 statement, while consolidated financials statements and audit. All financials will be reviewed by the joint Finance Committee.
- **Billing & MOU:**
  - Streamline the MOU into an annual flat-fee contract, adjusting ACF service charges based on anticipated work.
  - Move away from hourly billing and toward a quarterly billing structure based on the annual contract.
  - Ensure regular review to account for substantial changes in services.
- **Impact on Current Contracts and Grants**
  - Given the number of active contracts, including current and potential future government grants, changing our legal structure at this time does not offer significant benefits, and may create unnecessary risk and administrative burden.

### **Key Benefits of Recommendation**

- Preserves NMCT's legal and corporate standing, avoiding risks to contracts and relationships.
- Enhances alignment between ACF and NMCT leadership and governance.
- Improves efficiency in administrative, financial, and billing processes.
- Strengthens advocacy for NMCT's statewide role through a dedicated advisory committee.

This approach maintains continuity of structure while creating a stronger, more efficient partnership between ACF and NMCT.

