

**POLICIES AND PROCEDURES
MANUAL
FOR
THE NEW MEXICO HUMANITIES COUNCIL**

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Every employee of the NMHC owes a statutory and common law duty of loyalty to the NMHC. This duty of loyalty generally requires employees to exercise their authority in the interest of the NMHC, and not in their own interests or the interests of another entity or person. The duty of loyalty also forbids employees from engaging in activities that are competitive with, or harmful to, the activities of the NMHC, and prohibits employees from usurping a legitimate business opportunity of the NMHC. This section includes the definition of what constitutes a conflict of interest for NMHC employees and the appropriate steps for reporting and disclosing the conflict.

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Every board member of the NMHC owes a statutory and common law duty of loyalty to the NMHC. This duty of loyalty generally requires board members to exercise their authority in the interest of the NMHC, and not in their own interests or the interests of another entity or person. The duty of loyalty also forbids board members from engaging in activities that are competitive with, or harmful to, the activities of the NMHC, and prohibits board members from usurping a legitimate business opportunity of the NMHC. This section includes the definition of what constitutes a conflict of interest for NMHC board members and the appropriate steps for reporting and disclosing the conflict.

Policies and Procedures of the
New Mexico Humanities Council

I. HUMANITIES:

The Humanities should be central to all aspects of the Council's program.

A. The Board and staff should require that each project involve one or more of the following disciplines:

1. Modern and Classical Languages
2. Literature
3. Linguistics
4. History
5. Jurisprudence
6. Philosophy
7. Archaeology
8. Anthropology
9. Comparative Religion
10. Ethics
11. History, Theory, and Criticism of the Arts
12. Those aspects of the social sciences that have humanistic content and employ humanistic methods (sociology, political science theory, international relations)

B. The Council should endeavor to ensure that over a period of time it has involved a large range of humanities disciplines. The Council should maintain a computer listing of programs, disciplines, dates, and scholars involved for review.

C. The Council should encourage projects that involve more than one humanities discipline.

D. The Council should review its activities from time to time to ensure centrality of the humanities to the entire program.

E. The Council should ensure that each project provides ample opportunity for diverse points of view and that no project is characterized by advocacy, bias, or dogmatic assertion.

F. The Council should require that no project be "action oriented," that is, promote a specific solution to a problem, present a single resolution of an issue, or exhort the audience to a particular course of action.

II. SCHOLARS IN THE HUMANITIES:

- A. The Council should ensure that scholars in the humanities are involved centrally in the planning and implementation of each project.
- B. The Council should make clear to applicants that the humanities scholar should function in each project as a professional in his or her discipline. The scholar is expected to follow the accepted principles of academic freedom, which includes the responsibility to:
 - 1. discuss all relevant aspects of a subject, and
 - 2. show due respect for the opinions of others in the exchange of criticism and ideas.
- C. The Council should work to increase the number of humanities scholars aware of and involved in its programs. Humanities scholars may come from higher education and other relevant walks of life.
- D. In addition to involvement in individual projects, the Council's overall program should show explicit, planned efforts to achieve understanding and acceptance of the program concept by scholars in the humanities.
- E. Non-traditional scholars may include persons grounded in the humanities, acknowledged by their peers and their communities, including, for example, community historians, cultural specialists, tradition bearers, and others working in a non-academic setting. (Adopted Feb. 2002)

III. PUBLIC OUTREACH:

NMHC's projects are intended to involve a public audience, primarily adults who are not full-time students and families.

- A. Typically, the Council should fund projects that provide ample opportunity for dialogue among all participants. However, the Council may also fund media or other formats that do not involve dialogue.
- B. The Council should ensure that significant interest in the topic or issue exists in the community or communities in which a program will be held. The Council should ensure that a well-defined publicity plan is submitted that will inform and attract a public audience for each program.

IV. GRANTS:

- A. The final responsibility for grant-making rests with the NMHC Board.

1. The Grant Review Committee can approve an expenditure of up to \$2,000 on all Mini-Grants. (Adopted 7/92).
 2. All proposals recommended for approval by the Grant Review Committee and costing more than \$2000 must be approved by a majority of the Board members present and voting at a regularly scheduled session of the Board (7/92).
- B. The Board should not make grants that support the following:
1. Construction or renovation
 2. Equipment purchases
 3. Curriculum development
 4. Traditional courses for college credit
 5. Staff positions unrelated to NMHC grant programs
 6. Research unrelated to NMHC grant programs
 7. Publications unrelated to NMHC grant programs
 8. Conferences limited to professional humanities scholars
 9. Advocacy and direct action programs
 10. Fellowships or scholarships
 11. The continuation of existing humanities programs that are a regular part of an organization's activities
 12. Museum or library acquisitions
- C. The final fiscal responsibility for grant funds rests with the Board.
- D. The Board should be prudent with its funds, but it is expected that those funds will be used to the greatest extent possible, reflecting the fact that the funds were provided by Congress and the state legislature in expectation of extensive humanities programming.
- E. The Board should make every effort to raise funds from all sources available to it in order to support Council grant activity.
- F. The Council should have evaluation techniques that enable it to assess with reasonable objectivity its granting techniques and the projects themselves.
1. All applicants funded by the NMHC are selected in open competition on the basis of established and publicized criteria. Grant Review Committee members should assess the quality of each proposal and decide whether it is adequate or inadequate with respect to the following:
 - a. *Centrality of the Humanities*
 Is the proposed program a humanities program? Does the proposal explain how and what the humanities will contribute to the program?
 Will the program make the humanities and the significance of humanistic activity readily evident to the public?

b. Involvement of the Humanities Scholars

Does the proposed program assure that humanities scholars will participate actively in program planning, presentation and evaluation? Does the proposal include informative letters from humanities scholars describing their contributions and approaches to be taken in the program? Does the involvement of humanities scholars help ensure the centrality of the humanities in the program?

c. Issue or Topic Addressed in the Project

Has a brief, clear statement of the proposed program been presented? Are the issues, concerns, topics, or themes of interest to the public and are they approached in a humanistic fashion? Does the proposed program avoid propagandist bias, and aim instead at broad understanding and an examination of various perspectives?

d. Evidence of Community Interest and Adult Audience

Is the program directed at public audiences? Is program promotion adequate? Do the program schedule, format, facilities and participants demonstrate that adequate attention has been paid to gaining community interest and participation in the program?

e. Credentials of Project Personnel

Have brief résumés of project personnel been included in the proposal? Have letters from other program participants been included? Is there a clear indication of the sponsor's ability to carry out the program?

f. Evaluation Plan

Has a project evaluator been identified? Does the proposal provide for an adequate evaluation plan?

g. Budget and Financial Accountability

Is the budget reasonable and realistic? Is it sufficient to perform all the tasks described but not wasteful? Do the matching funds at least equal the amount of money requested from the NMHC? Is the budget elaboration sufficiently detailed?

2. During any-particular funding period, decisions to fund or not to fund a proposal should also be contingent upon considerations such as the number and kinds of proposals in competition and the amount of funds available to the NMHC.

3. The NMHC can take any of the following actions on a proposals:

- accept for funding as submitted,
- accept for funding with reduced award,
- accept for funding with stipulations, or

- not fund
 - 4. Before a funding session, Grant Review Committee members should review each proposal personally, and be aware of the regrant funds available for expenditure.
 - 5. All proposals for funding consideration should be submitted to the NMHC office in the complete and final form by the time of a final grant application deadline. In no case will any proposals be carried to a Board meeting without prior approval of the Grant Review Committee.
 - 6. In addition to conducting funding sessions, the Board should also review annually NMHC, policies, procedures, programs and activities and amend or adjust them accordingly.
- G. The Board should seek to expand the number of grant institutions and receiving organizations in the state over a period of time.
- H. The Board should encourage genuine co-sponsorship between academic and public groups in sponsoring public humanities programs. Genuine co-sponsorship means that both groups are integrally and evidently involved in planning, directing, and implementing the program.
- I. The Board should direct that a letter be written to each rejected applicant, listing the reasons why the application was rejected.
- J. The Board may entertain one re-submission of a revised proposal. This will be placed in competition with other applications pending review.
- K. Sponsors of NMHC-funded programs should acknowledge the support of both the New Mexico Humanities Council and the National Endowment for the Humanities. In both the grant award letter from the NMHC to the grant recipient, and in the grant agreement signed by the NMHC and the grant recipient, mention should be made of the program requirement that all publicity items, including flyers, brochures, posters, and media spots make the following acknowledgement:

**Funded in part by a grant from the New Mexico Humanities Council,
an affiliate of the National Endowment for the Humanities.**

All tangible products of NMHC awards, including films, videotapes, publications, and audio tapes and exhibits, should provide the same acknowledgement.

- L. The New Mexico Humanities Council and the Federal Government reserve the non-exclusive right to have free use of and access to the tangible products of grants, including media products, without payment or restrictions for government

purposes and to further the program objectives of the New Mexico Humanities Council, with proper credit to the producer, writer, artists, or other originators and to the grant recipient, whenever the New Mexico Humanities Council or the Federal Government deem it in their best interests to do so.

V. SPECIAL PROGRAMS:

- A. Program Initiatives - The Board of Directors of the New Mexico Humanities Council (NMHC) encourages proposals from any source for new humanities-related programs. In this context, the term “program” is defined to be an activity funded by the NMHC, resulting in a publicly-available product and/or event(s), because it contributes significantly to the achievement of the NMHC strategic plan. It is expected that such activities will be of larger scope and/or reach larger and/or wider audiences than activities funded through routine NMHC grants. It is an expectation of the NMHC Board of Directors that the NMHC Executive Director will proactively identify and initiate new programs as appropriate, including through partnerships with other organizations that sponsor humanities-related programming. Program proposals from the public and/or members of the Board of Directors must be reviewed and approved by the Executive Director before they are submitted to the Board of Directors for approval. The Executive Director must obtain approval from the Board of Directors for all new programs before funding can be allocated. The Board of Directors will render a decision on such proposals in a timely manner, based on a review of the proposal and recommendation for action by the Board of Directors Program Committee. The Board of Directors and its Program Committee will use the following criteria in evaluating each proposal: (1) relevance and anticipated quality of the program content, (2) reputation and/or qualifications of program leaders and organizers, (3) contribution to the NMHC strategic plan, (4) cost of program versus value to those whom the NMHC seeks to serve, (5) risk to the NMHC, (6) and reasonableness of the cost estimate and affordability within the NMHC budget.
- B. Executive Director Discretionary Funding - Each year, during its annual review and approval of the New Mexico Humanities Council (NMHC) operating budget, the Board of Directors will approve a specific budget line item amount which the Executive Director can spend without prior approval from the Board of Directors, subject to the following conditions: (1) the funding must be used to meet legitimate needs of the NMHC, and (2) the Executive Director must provide the Board of Directors with a written description of any expenditures of this discretionary funding at each Board meeting. The Board of Directors Finance Committee will review the expenditures prior to each Board meeting and include in their Committee report their assessment of the appropriateness of the expenditures.

VI. BOARD OF DIRECTORS:

The policies of the state-based program can best be achieved by a representative and volunteer state board composed of academic and public members.

- A. The Board should fund only programs of intellectual excellence.
- B. Board members should review and approve grants of Council funds sought by applicants seeking to sponsor public humanities programs.
- C. The function and duty of the NMHC Board should include the establishment of policy. The function and duty of the Chair of the Board should include the directing of the activities of the Board in accordance with the established policies; and the function and duty of the staff should include the implementation of the policies established by the full Board in partnership with the Board.
 - 1. No individual member, officer, or staff person, may set policy.
 - 2. It is appropriate to poll the full Board when policy and/or emergency matters arise.
 - 3. A majority of members of the board shall have authority to convene a meeting of the full Board in cases of emergency or impending policy issues.
- D. In addition to regular attendance at Board meetings and approving grant awards sought by applicants seeking to sponsor public humanities programs, Board members should serve on committees as appointed, attend NMHC-funded programs, contribute to the funds of the Council and to program development, review and approve Council policy and procedures, and review and approve Council proposals to the National Endowment for the Humanities and other sources. The Board should review the status of the NMHC Reserve Fund regularly.
 - 1. Incoming NMHC Board members are expected to attend an orientation session, which will include an overview of the NMHC budget, financial statement, and Board financial oversight responsibilities.
 - 2. Proxy votes should not be accepted on any issue under consideration by the Board.
 - 3. Members are expected to attend one or more NMHC-funded programs per year. The staff should provide the Board members with monthly calendars of NMHC-funded programs via the Council web site.

4. Board members should encourage program development in their communities.
5. Board members should play an active role in the preparation of any proposal to the National Endowment for the Humanities.
6. The Board should shape the policies of the NMHC program, giving continuing thought to its role and future through the work of its Executive Committee and its committee structure.
 - a. *The Executive Committee* (see also the Bylaws of the NMHC)
 - (1) The Executive Committee shall be composed of the officers of the Board and the immediate past chair.
 - (2) The Executive Committee should have the following duties and responsibilities:
 - (a) Recommending new Council policy and procedures, including Bylaws, to the Board;
 - (b) Recommending personnel policy and procedures to the Board, including but not limited to:
 - Completing an annual evaluation of the Executive Director;
 - Reporting the outcome of the Executive Director's annual evaluation of the staff;
 - Recommending annually the stipends and fringe benefits for the staff.
 - (c) Monitoring the NMHC finances and budgeting and accounting procedures, and reporting to the Board at least annually on financial status and practices. Regular financial reports, however, should be submitted by the staff to the Executive Committee on a regular basis and to the Board at regularly scheduled meetings of the full Board.
 - (d) Recommending strategic plans to the Board for the Council and its programs.
 - (e) Monitoring evaluation processes of the Council, reporting annually to the Board on process effectiveness.
 - (f) Evaluating and reporting annually to the Board the effectiveness of Board operations and meetings.
 - (g) Recommending new member orientation procedures to the full Board,

- (h) Recommending to the Board fund-raising policy, procedures, and opportunities.
 - (i) Advising the Chair on interim recommendations or decisions between regularly or specially scheduled Board meetings.
 - (3) The Executive Committee should be chaired by the Board Chair. Executive Committee meetings should be held in conjunction with each regularly-scheduled meeting of the full Board or in the interim between regularly-scheduled meetings. A quorum will be a simple majority of the confirmed Board membership.
- E. The Board should solicit, on a statewide basis, suggestions for nominations for election to membership of the Board. The Board membership should reflect a balance among its constituents.
 - 1. Any member of the Board may make suggestions for Board membership to the Nominating Committee.
 - 2. Nominations may be accepted from the floor at the annual meeting.
 - 3. The Executive Committee shall charge the Nominating Committee with providing for the rotation of elected members of the Board so that, insofar as feasible, approximately one-third of the membership is retired and one-third is new in any calendar year.
- F. A list of former NMHC Board members should be maintained to show breadth of membership across the state. Former members of the Board may continue to serve both the NMHC and the National Endowment for the Humanities as evaluators or as participants in programs. Former members may receive stipends for their participation in NMHC-funded programs, except in the case where they were a Board member when that particular proposal was approved for funding.
- G. The Board should continuously search and implement new means of increasing public understanding and use of the humanities.
- H. The Board has responsibility for rooting the program more firmly in the state by such means as seeking locally for additional sources of funding and by making its program efforts known to its political representatives.
- I. The Board is responsible for providing independent oversight of the operations and financial assets of the Council. As such, Board members will receive financial literacy training as needed, and the Board may obtain a responsible and qualified fiscal agent to assist in carrying out this oversight responsibility. The

Board will review and approve all Council financial statements and its annual submission of U.S. Government Form 990 at the regular Board meeting preceding their publication or submission. The Treasurer shall serve as Chair of the Finance Committee and the Reserve Fund Committee.

- J. The Board should develop record-keeping methods and analytical techniques sufficient to aid in permitting profound and insightful evaluation of program effectiveness.
- K. The officers of the Board will include a Chair and Vice-Chair, a Secretary and a Treasurer. The Board will employ an Executive Director.
 - 1. The duties of the Chair of the Board should include (please see also the NMHC Bylaws):
 - a. Serving as chief executive officer, directing the activities of the Council in accordance with established policies.
 - b. Chairing Board meetings.
 - c. Executing and delivering documents in the name of the Council, when authorized.
 - d. Setting the time and place of the annual meeting of members, to be held during the last three months of the year.
 - e. Calling special meetings of members, and setting the time and place of those meetings.
 - f. Giving notice of the annual meeting and of special meetings stating the time, place, and, if a special meeting, the purpose, ten to fourteen days before the meeting date either personally, by telephone, or by e-mail. (Adopted July 2002)
 - g. Notifying, in writing, an elected member of the Board that he or she is no longer a member if that member fails to attend three consecutive Board meetings.
 - h. Serving as Chair of the Executive Committee.
 - i. Negotiating and approving the terms of the Executive Director's contract.
 - j. Approving the Executive Director's staff appointments.
 - k. Approving reimbursements and payments to the Executive Director.

- l. Approving reimbursements for all in-state travel for Board members.
 - m. Approving all out-of-state travel for the Executive Director, staff members, and Board members.
2. The duties of the Vice-Chair of the Board should include those of the Chair when (please see NMHC Bylaws):
- a. Serving in the absence, disability or failure to act of the Chair, or
 - b. whenever having been delegated a responsibility by the Chair.
3. Secretary
- a. The Secretary's duties:
 - (1) The Board Secretary or his or her designate should sign the Board minutes when approved by the full Board. If the minutes are not approved as written and additions, deletions, or other corrections are to be made, changes should be specified by the Board. The Board may choose to approve the minutes with corrections, but they should not be signed by the Secretary until the revisions have been made and submitted to the Secretary or his or her designate for approval.
 - (2) The Secretary signs on behalf of the Board other official documents as assigned by the Chair.
 - b. The Treasurer's duties:
 - (1) The Treasurer is Chair of the Finance Committee, which meets at each Board meeting or as needed. He or she shall:
 - (a.) Examine and approve each financial report from the staff.
 - (b.) Work with staff to develop the budget that is submitted to the Board for approval.
 - (2) The Treasurer is Chair of the Reserve Fund Committee, which meets quarterly at the NMHC office. He or she shall:
 - (a) Examine and approve each investment report on the NMHC Reserve Fund.
 - (b) Inform the account executive of any concerns of or actions by the Reserve Fund Committee.
 - (c) Report to the Board on the status of the NMHC Reserve Fund.
4. The position of Executive Director shall be authorized and filled at the discretion of the Board. The term of employment will be as determined in his or her contract. The duties of the Executive Director shall include (please see the NMHC Bylaws):
- a. Executing the policies established by the Board and within the guidelines established by the National Endowment for the Humanities.

- b. Maintaining liaison with the National Endowment for the Humanities.
- c. Administering the Council office.
- d. Appointing, with the approval of the Chair, such assistants as are approved by the Executive Committee.
- e. Evaluating, on an annual basis, the staff of the NMHC, and reporting on that evaluation to the Executive Committee.
- f. Approving payment of expenditures for normal office functions, program development activities, in-state travel for staff members, and grantees in accordance with the NMHC budget and NEH guidelines.
- g. Reviewing and certifying the accuracy and completeness of NMHC financial statements.
- h. Reviewing U.S. Government Form 990 for accuracy and completeness, and filing it electronically whenever possible to ensure timely, accurate and complete submissions.
- i. Disclosing in a timely manner any material changes in operations or financial conditions to the Board of Directors, and as warranted, to funding agencies and/or the public.
- j. Disclosing audited financial statements and U.S. Government Form 990 to the public in an easily accessible manner.

VII. NMHC RESERVE FUND:

- A. The Treasurer serves as Chair of the Reserve Fund (R.F.) Committee. The Chair, with the approval of the Executive Committee, appoints two to four other Board members to the Investment Committee.
- B. The R.F. Committee will evaluate annually the financial advisor and investment firm on their service to and handling of the Reserve funds.
- C. When a new investment firm is warranted, the R.F. Committee will request proposals from four or more investment firms.
- D. The R.F. Committee will select a firm from those proposals and meet at least semi-annually with the person assigned to the NMHC Reserve Fund account.
- E. The account executive of the firm will provide the R.F. Committee with reports at least quarterly.

- F. The Board has adopted the policy that the Reserve will reach \$250,000 before any interest can be used for NMHC program funds.
- G. When the NMHC Reserve Fund has reached that goal, the interest may be used only to fund new and preferably innovative NMHC programs.
- H. The corpus of the NMHC Reserve Fund must remain intact and only the interest used only after the corpus has reached its goal of \$250,000.
- I. Twenty percent of income from programs shall be placed in the Reserve Fund. (F through I adopted Mar 2002)

VIII. ACCOUNTABILITY:

The Board shall maintain documentation and apply procedures to ensure accountability in the areas of record keeping and finances.

- A. Proper public notice of meetings, by means of news stories and other media announcements, including a statement of the purpose of the meeting, should be made at least ten days before any meeting.
- B. Amendments to the NMHC Bylaws will not be acted on during the meeting in which they are proposed; a decision will be made at the meeting following the introduction of a proposed Bylaws change, so that all Board members will be informed of and have time to consider the change.
- C. Authority for Expenditures:
 1. Reimbursement or payments to staff members shall be approved by the Executive Director.
 2. Reimbursements or payments to the Executive Director shall be approved by the Chair, and made as promptly as possible.
 3. The Executive Director shall have the authority to approve payments of expenditures for normal office functions, to include supplies, telephone, printing, duplicating, and postage, insofar as such expenditures are in accordance with the NMHC budget and NEH guidelines and proper documentation has been provided.
 4. The Executive Director shall have the authority to approve payment for program development activities, insofar as such expenditures are in line with the NMHC budget and NEH guidelines and proper documentation has been provided.

5. The Executive Director shall have the authority to approve payments to grantees, insofar as such payments have been requested on the appropriate form, the form has been properly completed, documentation (if applicable) has been attached, and the request is in line with the grantee's budget and NMHC guidelines regarding payment to the grantees.
6. In the case of prolonged absence from the office due to illness, travel, or vacation by the Executive Director, the Assistant Director or other designate, may approve payments for operational expenses.
7. All out-of-state travel for the Executive Director, staff members and Board members should have the prior approval of the Board Chair as to the purpose of the trip, the time at which it will be taken, and the estimated amount of expense that will be incurred. The Chair's decisions should be made in a careful and prudent manner, taking into consideration the NMHC budget. All out-of-state travel for the Board Chair should be reported to the Board (or an appropriate committee) prior to or during the next regular Board meeting.
8. Reimbursement for in-state travel for staff members shall be approved by the Executive Director. Reimbursement for in-state travel for the Executive Director shall be approved by the Board Chair or his designate. While the Chair's individual in-state travel vouchers need not be approved by a higher authority, the Chair should be responsible and accountable to the full Board, and the Board should have full right and authority to question the Chair regarding any travel reimbursement.
 - a. Commercial air transportation costs shall be reimbursed at coach or economy rates only. Receipts shall be provided.
 - b. Auto mileage shall be reimbursed at the current rate per mile approved by the Board. Any staff or Board member traveling with any other staff or Board member shall so indicate on the travel voucher.
 - c. Board and staff meals shall be reimbursed at the Board's current per diem schedule. In the event that a group dinner or lunch is provided in conjunction with an NMHC meeting, every attempt shall be made to keep the price of the meal, per person, reasonable.
 - d. It has been the practice of NMHC to reimburse at-cost rates for lodging during out-of-state travel or in-state at staff-selected sites. NMHC usually cannot control location of conferences out-of-state where blocks of rooms have been reserved, etc.. Any individual requesting at-cost reimbursement for out-of-state lodging should submit hotel receipts.
 - e. With the exception of auto transportation and meals reimbursed at the per diem rate, no reimbursement should be made without receipts.

- f. No travel funds shall be advanced to any staff or Board member. A Board member, anticipating travel (in particular out-of-state travel), may request that NMHC purchase travel tickets for that member. In cases where the “no advance” rule would obviously create a hardship or would preclude conference attendance, etc., the Chair may authorize an exception to the rule, with the understanding that the individual receiving the advance should keep a careful accounting of expenditures and shall return any unused funds to the Board.
 - g. Conference fees and hotel costs, when proper documentation has been provided, may be pre-paid.
 - h. All travel vouchers shall be signed by the payee prior to processing.
 - i. All vouchers shall be accompanied by the appropriate receipts, invoices, etc., prior to processing.
 - j. No payment shall be advanced before work is completed (in particular this applies particularly to consultants and staff).
 - k. At least ten days processing time shall be allowed from the time an invoice is received and the check is mailed from NMHC office.
- D. The NMHC Accounting Manual shall be updated as necessary, to ensure a smooth transition of account procedures should a key employee leave or become ill.

IX. WHISTLEBLOWER POLICY: (April, 2008)

The New Mexico Humanities Council (NMHC) is committed to maintaining a workplace where employees are free to raise good-faith concerns regarding the Council’s business practices, specifically: (1) reporting suspected violations of law, including but not limited to federal laws and regulations; (2) providing truthful information in connection with an inquiry or investigation by a court, agency, law enforcement, or other governmental body; and (3) identifying potential violations of NMHC policy, specifically the policies contained in the Council’s Policies and Procedures Manual.

Purpose

The purpose of this Policy is to provide a mechanism for NMHC employees to raise good-faith concerns regarding suspected violations of law, to cooperate in an inquiry or investigation by a court, agency, law enforcement, or other governmental body, or to identify potential violations of NMHC policy; and to protect employees who take such actions from retaliation.

Process

All NMHC employees are responsible for preserving and protecting the integrity of the Council. As such, it is the responsibility of an employee having knowledge of a suspected violation of law or of NMHC policy, or of unauthorized or inappropriate conduct, to report such activity to the Executive Director or, if the Executive Director is the subject of the complaint, to the Chair of the NMHC Board of Directors. The person receiving the report is responsible for investigating the complaint and ensuring that appropriate corrective action is taken. The recipient of the complaint will not divulge the identity of the complainant if so requested.

An employee who files a complaint must have a reasonable basis for believing that inappropriate activity may be occurring. This requires that a disclosing employee have some evidence that has led to a good-faith conclusion that conduct may be inappropriate. Frivolous, unsubstantiated allegations may result in discipline of the employee, up to and including termination of employment.

Reports of suspected violations of law or policy will be investigated promptly and in a manner intended to protect confidentiality, consistent with a full and fair investigation.

The investigating parties may be NMHC employees, NMHC legal counsel, external parties, or some combination of these groups, as appropriate. Every employee is expected to cooperate fully with the investigation. At the conclusion of an investigation, the Executive Director will notify the Chair of the NMHC Board of Directors of the findings and actions taken. The Executive Director will make a full report to the NMHC Board of Directors of all incidents in which this Policy is invoked.

If the Executive Director is the subject of the complaint, the Chair of the NMHC Board of Directors will ask a member of the Board of Directors Executive Committee to fulfill the Executive Director's role in all phases of the process. If the Executive Director is the subject of the complaint, he/she will not participate in the investigation process.

Anonymous Reports

Any person may make an anonymous report. However, it should be understood that any investigation may be hampered or impractical if the reporting person cannot be identified and questioned about the allegations and related facts. As described above, all reports, including those made anonymously, must be substantiated by evidence that inappropriate conduct may have occurred.

Retaliation

The NMHC expressly prohibits any form of retaliation, including harassment, intimidation, adverse employment actions, or any other form of retaliation, against employees who raise suspected violations of law, cooperate in inquiries or investigations, or identify potential violations of NMHC policies. Any person who engages in retaliation will be subject to discipline, up to and including termination.

Presumption of Innocence

There will be a presumption of innocence with respect to any person implicated in a suspected violation or retaliation, and the NMHC shall take steps to avoid unnecessary disclosure of allegations prior to the conclusion of an investigation so as not to unfairly harm the reputation of any person.

X. DOCUMENT RETENTION/DESTRUCTION POLICY (April, 2008)

Background: The Sarbanes-Oxley Act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored. Nonprofit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

The New Mexico Humanities Council abides by the minimum document retention requirements set forth in the following table, provided by the National Council of Nonprofit Associations in accordance with the Sarbanes-Oxley Act. Used in this context, the term “document” includes all forms of the referenced document types, including computer files, voice mail recordings, and other non-paper formats. Documents that have been retained beyond the period indicated in the chart below may be destroyed periodically, taking into consideration constraints on storage space and staff time. If litigation is filed or government investigation is commenced against New Mexico Humanities Council, all document destruction shall be suspended as promptly as can be achieved reasonably. Electronic documents subject to the requirements below will be backed up at least monthly and archived in a separate location. The ability to successfully retrieve a select number of archived electronic documents will be validated at least semiannually.

Type of Document	Minimum Requirement
Accounts payable, ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense analyses/ expense distribution schedules	7 years
Year end financial statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

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XI. NMHC EMPLOYEE CONFLICT OF INTEREST POLICY

Introduction

The New Mexico Humanities Council (NMHC) respects and supports employee involvement in activities outside of work and encourages employees to be well-rounded, active and contributing members of the community. However, employees are required to avoid improper behavior as well as behavior that creates an appearance of impropriety as it relates to their work for the NMHC. Every employee of the NMHC owes a statutory and common law duty of loyalty to the NMHC. This duty of loyalty generally requires employees to exercise their authority in the

interest of the NMHC, and not in their own interests or the interests of another entity or person. The duty of loyalty also forbids employees from engaging in activities that are competitive with, or harmful to, the activities of the NMHC, and prohibits employees from usurping a legitimate business opportunity of the NMHC.

Implications of a Conflict of Interest

It should be emphasized that conflicts of interest involving an employee are not inherently illegal or unethical, nor should they be interpreted as reflecting upon the integrity of any employee. Rather, it is the manner in which the employee and the NMHC deal with a conflict, which determines the propriety of the situation.

Reporting and Disclosure

All actual and potential conflicts of interest shall be fully disclosed to the Executive Director on an annual basis. If at any other time, an employee finds him or her self in a situation which he or she believes may create or could reasonably be perceived as creating a conflict of interest, the employee must disclose these activities to the Executive Director immediately. The Executive Director shall report and disclose conflicts to the Chair of the Board of Directors in a similar manner. The attached form should be used for disclosing conflicts of interest.

The interested employee shall recuse himself or herself from the deliberations, decisions or activities that create the conflict of interest except as otherwise allowed by the Executive Director. Allowable actions, limits or waivers shall be recorded on the disclosure form and signed by the Executive Director.

Specific Reporting Requirements

Employees of the NMHC may not solicit, and must not accept gratuities, favors, lunches, tickets, or anything of significant monetary value (greater than \$25.00) from contractors, vendors, or parties seeking or receiving funding from the NMHC.

Employees must disclose any outside employment that potentially could interfere with their attendance or the satisfactory performance of duties at the NMHC.

Definition of “Conflict of Interest”

A conflict of interest exists when an employee has a business, financial, leadership, or other material relationship with a third party that may reasonably be perceived as creating dual loyalties. A conflict of interest also may exist when an employee’s actions for the NMHC, or for the other party, involve an improper gain or advantage for the employee or have an adverse affect on NMHC interests.

The following are examples of conflicts of interest which shall be disclosed:

- Outside Interests - Holding a position or having a material financial interest, whether directly or indirectly, in any outside entity which receives NMHC funding, or any outside entity from

which the NMHC secures goods or services or that provides services competitive with, or harmful to, the NMHC. It also includes directly or indirectly competing with the NMHC in the purchase or sale of goods or services.

- Outside Activities - Providing directive, managerial, or consultative services to anyone who does business with, receives funding from, or competes with, the NMHC, or performing other services in competition with the NMHC.
- Gifts and Gratuities – Accepting for personal use, excessive gifts or entertainment, or other favors from those who do business with the NMHC, seek to do business with the NMHC, or who are competitors of the NMHC.

Information - Disclosing or using confidential or proprietary information relating to NMHC business for personal profit or to the advantage of individuals or entities other than the NMHC.

New Mexico Humanities Council
Employee Conflict of Interest Reporting and Disclosure Form

I have received and read a copy of the NMHC Employee Conflict of Interest Policy. I affirm that, other than the interest reported below, I am aware of no actual, apparent or potential conflict of interest.

Signed: _____

(Print Name)

Disclosures:

Please submit this form annually to the Executive Director no later than 10 November of each year. Additional forms may be submitted as often as needed, within 10 working days after the conflict or potential conflict of interest develops. Waivers, Limits or Mitigation Plan:

Signed: _____

(Print Name)

Date: _____

XII. NMHC BOARD MEMBER CONFLICT OF INTEREST POLICY

Introduction

The interest of the humanities requires a maximum contribution from leaders in the field. Therefore Directors and their close relatives (parents, spouses, siblings and offspring) should not disqualify themselves from participation in projects supported by the New Mexico Humanities Council (NMHC) merely because of their position. However, Directors and their close relatives should be alert to avoid any action which could possibly be interpreted as a use of their position to further their own interests or those of an institution with which they are affiliated. Accordingly, Directors are required to avoid improper behavior as well as behavior that creates an appearance of impropriety as it relates to their work for the NMHC.

Implications of a Conflict of Interest

It should be emphasized that conflicts of interest involving a Director are not inherently illegal or unethical, nor should they be interpreted as reflecting upon the integrity of any Director. Rather, it is the manner in which the Director, Board of Directors, and the NMHC deal with a conflict, which determines the propriety of the situation.

Reporting and Disclosure

All actual and potential conflicts of interest shall be fully disclosed to the Chair of the Board of Directors on an annual basis. If at any other time, a Director finds himself or herself in a situation which he or she believes may create or could reasonably be perceived as creating a conflict of interest, the Director must disclose these activities to the Chair of the Board immediately. The Chair of the Board of Directors shall report and disclose conflicts to the Vice Chair of the Board of Directors in a similar manner. The attached form should be used for disclosing conflicts of interest.

The interested Director shall recuse himself or herself from the deliberations, decisions or activities that create the conflict of interest except as otherwise allowed by the Chair of the Board of Directors. Allowable actions, limits or waivers shall be recorded on the disclosure form and signed by the Chair of the Board of Directors.

Specific Reporting Requirements

Directors of the NMHC may not solicit, and must not accept gratuities, favors, lunches, tickets, or anything of significant monetary value (greater than \$25.00) from contractors, vendors, or parties seeking or receiving funding from the NMHC.

Directors must disclose any outside employment that potentially could interfere with their attendance or the satisfactory performance of duties at the NMHC.

Definition of “Conflict of Interest”

A conflict of interest exists when a Director has a business, financial, leadership, or other material relationship with a third party that may reasonably be perceived as creating dual loyalties. A conflict of interest also may exist when a Director’s actions for the NMHC, or for the other party, involve an improper gain or advantage for the Director or have an adverse affect on NMHC interests.

The following are examples of conflicts of interest which shall be disclosed:

- **Outside Interests** - Holding a position or having a material financial interest, whether directly or indirectly, in any outside entity which receives NMHC funding, or any outside entity from which the NMHC secures goods or services or that provides services competitive with, or harmful to, the NMHC. It also includes directly or indirectly competing with the NMHC in the purchase or sale of goods or services.
- **Outside Activities** - Providing directive, managerial, or consultative services to anyone who does business with, receives funding from, or competes with, the NMHC, or performing other services in competition with the NMHC.
- **Gifts and Gratuities** – Accepting for personal use, excessive gifts or entertainment, or other favors from those who do business with the NMHC, seek to do business with the NMHC, or who are competitors of the NMHC.
- **Information** - Disclosing or using confidential or proprietary information relating to NMHC business for personal profit or to the advantage of individuals or entities other than the NMHC.

New Mexico Humanities Council

Board of Directors Conflict of Interest Reporting and Disclosure Form

I have received and read a copy of the NMHC Board of Directors Conflict of Interest Policy. I affirm that, other than the interest reported below, I am aware of no actual, apparent or potential conflict of interest.

Signed: _____

(Print Name)

Disclosures:

Please submit this form annually to the NMHC Chair no later than 10 November of each year. Additional forms may be submitted as often as needed, within 10 working days after the conflict or potential conflict of interest develops.

Waivers, Limits or Mitigation Plan:

Signed: _____

(Print Name)

Date: _____