**Possible** **Engagement of a CPA and/or attorney familiar with 501(c)(3)**

July 13, 2016 Board Meeting Handout

**Treasurer’s RECOMMENDATION** - institute formal Board review on a quarterly basis (need to identify Board member to conduct) as recommended by both CPA and attorney; and utilize Allegra Hanson’s legal services in the future on an as “needed” basis. No CPA services recommended at this time, but should NMDA income increase to >$250,000 an outside audit required by State of NM.

* + - Pertinent information from 6/14/16 meeting with Ollie Waters [local CPA familiar with 501(c)(3)] of Moye, Waters & Associates] for possible financial services to NMDA:
      * in accordance w/ NM law, no audit required since income not over $500,000 and no Federal monies/grants received; CPA financial “review” ~$3500, formal audit closer to $10,000
      * GRT filings - use tax rate of County where items “sold”, i.e. Bernalillo County
      * suggested some changes in NMDA responses to NM AG Office COROS registration questions, which were incorporated in our registration submittal; since NMDA already “solicits” donations on membership form (and in the future for banquet donations?), therefore placing donation “blurb” on website is fine
      * changes to By-Laws C. of I. language likely fine as long as new language is not less stringent than current - it’s not
      * Education Fund “mini”-grants - draft write-up fine, except should be open to the public since NMDA now a 501(c)(3) “public charity”
      * no comments on donor acknowledgement letter, except “do not estimate value of any ‘good and /or service’ donations”; attach receipt from donor if available
      * send letter to LPeters re: 2015 judge fee “donation” - done by DFoster 6/15/16
      * financial “checks and balances” - do not have the same person doing the following 3 financial activities:

writing checks,

reconciling w/ bank statements, and

reviewing the financials

* + - * have another Board member open bank statements and review checks for appropriateness/accuracy, and document financial review in monthly BoD mtg minutes
    - Pertinent information from 6/29/16 with Allegra Hanson, Esq [local attorney familiar with 501(c)(3) entities and recommended by Taminy Marshall] for possible legal services to NMDA:
      * no additions to listing of NMDA business/financial obligations list
      * By-Laws comments to be incorporated into proposed By-Laws changes; because changes are being made to the Conflict of Interest (CoI) article, if accepted by membership, the CoI language will have to be changed in the Articles of Incorporation with the Secretary of State/AG’s Office
      * financial review/“checks and balances” - review by Board member other than Treasurer (see above under mtg w/ OWaters) could be done on a quarterly or monthly basis and noted in the appropriate Board mtg minutes
      * discounted hourly rate for 501(c)(3) entity is $200, no contract/retainer required
      * Allegra Hanson’s CPA recommendation - Urbielewicz Murphree CPAs, PC - 2469 Corrales Rd, Corrales, NM 87048; 505.897.7382