The following are page-for-page replacements for the New Mexico Nonprofit Principles & Practices Guide, Edition 1. The Center for Nonprofit Excellence is committed to maintain and distribute current and accurate information for the New Mexico nonprofit sector. Thank you for using the latest information to make our sector great!
Guiding Principle

Nonprofits are essential for improving our communities, uplifting our collective quality of life and creating positive social and economic impact across the state. In doing this work, New Mexico nonprofits have an ethical obligation to acknowledge the diversity of our communities and the current and historic dynamics of our state.

Nonprofits have a responsibility to offer inclusive programs and services that aim to increase equity in our communities. Organizations that actively implement equitable and inclusive governance and operating practices are demonstrating an awareness of and commitment to social justice, and are well-positioned to make strong business cases for their important work. In New Mexico, commitments to diversity, equity and inclusion are critical to mission fulfillment.

Legally Required Practices

- Nonprofits must ensure that they understand and are in compliance with all applicable federal, state, and local employment laws and regulations. For example, the federal Americans with Disabilities Act, federal Occupational Safety and Health Act, state statutes on public breastfeeding and workplace pumping, etc.

- Nonprofits must ensure that nondiscriminatory services and organizational practices are provided in accordance with state and federal law. For example, nonprofits must ensure that translation services are available to clients who request them.

- Nonprofits must not include inquiries regarding arrest or conviction history from the initial written or electronic job application. Employers may take into consideration an applicant’s conviction history at a later stage but only after review of the applicant’s application and upon discussion of employment with the applicant.

Recommended Standard Practices

Employee and Volunteer Recruitment

- Nonprofits should clearly define “diversity,” “equity” and “inclusion” as they pertain to the organization’s mission, values and strategic goals.

- Nonprofits should articulate their commitment to diversity, equity and inclusion, and leverage these principles for strategic mission fulfillment.

- Nonprofits should create a strategy for fostering relationships with diverse networks in order to broaden the pool of qualified candidates for employment, Board membership and other volunteer roles, and commit to doing so prior to making hiring or volunteer nomination decisions.

- Nonprofits should consider lived experience, involvement with services, and professional and technical competencies, in addition to educational experience, when recruiting new employees, Board members and other volunteers.

Organizational Culture and Retention

- Nonprofits should create an environment, through inclusive leadership, where regular, open communication is a priority; internal information is shared appropriately; and employees, Board members and other volunteers are encouraged to share their diverse perspectives.
Guiding Principle
Nonprofits have an obligation to act as responsible stewards of all financial resources. This includes complying with all legal and financial requirements, and adherence to sound accounting principles that produce reliable financial information, ensure fiscal responsibility and build public trust.

Legally Required Practices

Filing and Reporting

- Nonprofits must submit the relevant version of the IRS Form 990 to the IRS annually.

- Nonprofits must be aware of the federal rules for tax on unrelated business income of exempt organizations and file IRS Form 990-T if the organization is subject to the tax.

- Board members must review IRS Form 990 prior to submission to the IRS and it must be signed by the current Board president, vice president, treasurer, assistant treasurer, chief accounting officer or other corporate officer (such as a tax officer) who is authorized to sign.

- Nonprofits must make the following information publicly available, unless specifically exempted: applicable IRS Form 990 for three most recent years (Schedule B notwithstanding); IRS Form 1023; application for exemption; any documents submitted with the application; any letters or documents issued by the IRS with respect to the application.

- Nonprofits must submit a copy of their audit report to the New Mexico Office of the Attorney General.

- Nonprofits that exist in New Mexico or solicit donations in New Mexico must register and file annual reports with the New Mexico Office of the Attorney General, unless exempted, which includes submitting a complete copy of the relevant version of IRS Form 990.

- Nonprofits must update their registration with the New Mexico Office of the Secretary of State annually.

Financial Accountability

- Nonprofits must comply with all financial regulations, such as withholding and payment of federal, state and payroll taxes, and manage all funds according to their restrictions.

- Nonprofits with total revenue in excess of $500,000 in the previous fiscal year must have an audit conducted by an independent Certified Public Accountant in accordance with the Generally Accepted Accounting Principles (GAAP).

- Nonprofits that expend more than $750,000 in federal funds for their operations in a single year must obtain a single audit from an independent Certified Public Accountant.
Guiding Principle
Nonprofits that place a high priority on equitable hiring practices and creating a safe and inclusive work environment – characterized by dignity and respect for all people based on sex, sexual orientation, gender identification, marital status, age, race, religion, color, national origin, geographic location, physical or mental disability, veteran status and income – attract, engage and empower every employee to contribute and productively work together to advance the organization’s mission.

Legally Required Practices

- Nonprofits must ensure that they understand and comply with all federal, state and local employment laws during recruitment, hiring, retention, promotion, reassignment and dismissal of employees.
  - Under federal law, the following types of discrimination are prohibited: age, disability, equal pay/compensation, genetic information, harassment, national origin, pregnancy, race/color, religion, retaliation, sex and sexual harassment.
  - Nonprofits must not make pre-employment inquiries related to race, height, weight, financial information, unemployment status, background checks, religious affiliation or beliefs, citizenship, marital status, number of children, sex/gender, disability or medical questions and examinations.
  - Nonprofits may be required by law to conduct background checks for new hires depending on the specifics of the job description (i.e., working with children).
  - Under federal law, employers are explicitly prohibited from screening prospective employees for disabilities or requiring medical examinations in advance of a job offer. Nonprofits may ask if an accommodation is necessary to perform a specific job duty, and if the answer is yes, then the nonprofit may ask what the accommodation would be.
  - Nonprofits must not include inquiries regarding arrest or conviction history from the initial written or electronic job application. Employers may take into consideration an applicant’s conviction history at a later stage but only after review of the applicant’s application and upon discussion of employment with the applicant.
  - Nonprofits must make individualized determinations rather than having a blanket exclusionary policy for hiring people with arrest or conviction records.
  - Nonprofits must display official Federal Department of Labor posters where employees can readily observe them.
  - Nonprofits must provide adequate notice and information about continuation of benefits to terminated employees.

Recommended Standard Practices

Basics

- Nonprofits should have a comprehensive and regularly updated employee handbook.
- Nonprofits should identify at least one person within the organization to be the point of contact for Human Resources issues. This individual should be provided with ongoing education and support in understanding the field of Human Resources and implementing industry best practices and maintaining regulatory compliance.
Nonprofits should consider obtaining Employment Practice Liability Insurance (EPLI).

**Recruitment and Hiring**

- Nonprofits should be prepared with a plan for how vacancies in senior leadership will be filled, including in the event of voluntary and unexpected departures.
- Nonprofits should make every effort to equitably develop and promote employees from within the organization.
- Nonprofits should create a strategy for breaking into diverse networks in order to broaden the pool of qualified candidates, and commit to doing so prior to making hiring decisions.
- Nonprofits should make every effort to seek candidates who demonstrate commitment to the mission, values and objectives of the organization.
- Nonprofits should conduct background checks if staff will be working directly with vulnerable populations.
- Nonprofits should develop a narrowly tailored policy for screening applicants for criminal conduct.
- Nonprofits should provide every new hire with a clear and current job description, a comprehensive orientation, and the resources they need to achieve the objectives of the position.

**Transparency and Accountability**

- Nonprofits should create a culture where regular, open communication is a priority; internal information is shared appropriately; and employees are given opportunities to provide input about organizational activities and results.
- Nonprofits should regularly and broadly promote human resources policies to ensure employees understand federal and state laws, including their employee rights and the prohibition of employment discrimination and harassment.
- Nonprofits should provide regular and appropriate opportunities for communication and collaboration between employees and the Board of Directors.
- Nonprofits should develop clearly defined, written whistleblower and grievance policies to protect employees. They should define the chain of command and appropriate communication mechanisms that employees use (e.g. phone, email, in person).

2. Human Rights Information, New Mexico Department of Workforce Solutions: www.dws.state.nm.us/Human-Rights-Information

3. Family Medical Leave Act (FMLA), United States Department of Labor: www.dol.gov/general/topic/benefits-leave/fmla


6. First Step Poster Advisor, United States Department of Labor: https://webapps.dol.gov/elaws/posters.htm


ADDITIONAL HR RESOURCES
www.centerfornonprofitexcellence.org/resources/human-resources