



## **Policy on Eligible Communities and Local Governance Of State Authorized Arts & Cultural Districts**

A local ACD Coordinating Council (Council) is the local governing body for programs, projects, activities and events. It must have as a member an Arts Council which supports the broader interests of other arts organizations, artists and cultural entrepreneurs, and a revitalization program (such as MainStreet), and the municipality or, when a proposed district does not sit within the boundary of an incorporated Municipality, a County or Tribal government, as core members of the Council.

Other organizations should be represented on the Council whose interests and participation shall be for the development of the cultural economy and creative industries within the district including but not limited to, arts and cultural non-profits, cultural and educational institutions, organizations devoted to the humanities and historic preservation.

The primary focus of the Council is to implement the work in the ACD district utilizing the ACD Resource Team Report, the ACD Cultural Plan and the ACD Master/Metropolitan Re-development Plan. Resources from participating agencies and organizations of the New Mexico State Arts & Cultural District Council (state Council), will only be provided to the Council for the benefit of the District.

The Council shall select a chair and other officers as needed to perform the duties of the Council. The Council will need to determine an appropriate organizational structure to meet its goals. The Council will need to raise funds to hire staff to implement programs, projects, and activities. The type of organizational structure the Council chooses to operate with will determine the type of staff needed, how staff is hired, how staff is paid for, and for annual accountability and performance to maintain its state authorization.

There are three preferred organizational structures for NM ACDs:

- The Council incorporates under state law and works with a ***Fiscal Agent*** that is a designated 501c3 to receive and administer funds, pay bills, arrange for liability insurance for the Council members and staff, and event insurance for programs, activities and projects. The relationship, duties, expectations and

responsibilities should be clearly defined in a Letter of Agreement between the Council and the Fiscal Agent, and reviewed annually for performance by both parties.

- The ACD Coordinating Council becomes a ***Standing Committee within an Existing MainStreet or Arts Council*** that is a federally designated non-profit organization. Coordinating Council members are covered under the board liability and event insurance of the existing organization. Any ACD staff would report to the Executive Director of that organization to implement the work of the ACD Coordinating Council. It is important to recognize the benefits to the Council for operating under a 501c3 charitable organization's status rather than a 501c4 or 501c6 before such a choice is made.
- The ACD Coordinating Council ***establishes itself as a state incorporated nonprofit and a federally designated 501c3 non-profit*** with all the roles, responsibilities, accountability, fund raising, liability and event insurance, and administration of any so designated federally incorporated non-profit.

No matter the organization structure chosen, the ACD Coordinating Council is responsible for all District performance, implementation and reporting to the New Mexico Arts and Cultural District Coordinator. It is additionally responsible by state statute to provide its annual performance in positively impacting the cultural economy within the designated ACD district boundary, to the New Mexico Arts Council. Reports are due to the state ACD Coordinator by the end of December each year to be presented to the New Mexico Arts Commission at their January.

A Letter Of Award shall serve as a Letter of Agreement (LOA) from the State Authorizing body, the New Mexico Arts Commission during the Start Up phase of the Council's development.

- Once the work of the Start Up Phase is complete;
- An ACD Resource Team Report
- A municipally (or County or Tribal government) adopted District Cultural Economic Development Plan
- A municipally (or County or Tribal government) adopted Master/MRA Plan

Upon completion of the Start Up phase to continue as a state-authorized Arts & Cultural District, the Council will execute a 5 year Memoranda of Understanding (MOU), and every five years thereafter, with the ACD Coordinator spelling out on-going responsibilities of a state-authorized district organization. The execution of such an MOU will continue the benefits, including eligibility of incentives and support of the state Council.

