

## KIPP Atlanta Schools Finance Committee Meeting Minutes

Wednesday, October 21, 2024

5:30 pm

Meeting location: Via Conference Call 727-731-7799

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**Committee Members in Attendance:** Tom Avery, Tom Pritchard, Frank Glover, Dennis Love

**Committee Members Absent:** Tom Avery

**Board Members Present:** None

**Regional Staff Members Present:** Justin Anderson and Ra'Chel Ford

**Guests Present:** Duncan Edwards from CBIC and Skylr Martucci-Moore from Krevolin and Horst

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*The meeting was called to order at 5:35 a.m.*

### Call to Order

- Tom Avery took a vote to begin the meeting officially, motioned by Frank Glover and seconded by Dennis Love at 5:35 p.m.

### Consent: Prior Minutes

- Tom Avery called for a motion to approve the July 22, 2024 meeting minutes. Tom Pritchard moved to approve and Dennis Love seconded. No Discussion. Approved unanimously.

### Legal Entity Update

- The IRS responded to our application we submitted for the Articles of Incorporation of KIPP MAC Endowment Fund, Inc. The IRS requested some revisions to the language, and our attorneys have prepared an updated version of the Articles of Incorporation, which requires the KIPP MAC Endowment Inc. board's formal approval, which are Tom Avery, Pritchard, Dennis Love, and Frank Glover.
- Skylr Martucci-Moore was present and answered questions. Skylr Martucci-Moore explained the IRS rationale for asking us to make the changes.
- Skylr Martucci-Moore answered questions about whether or not the Articles of Incorporation for KIPP MAC Endowment Fund revised language would negate the intention for the funds to be used for the specific purpose of scholarship. The response is that the By-Laws is the governing document for how funds are allocated and spent.
- The committee reviewed the by-laws that were adopted on April 23, 2023 and Tom Pritchard noted that there was a difference in the language used in the Purpose section of the newly adopted bylaw from the previous bylaws. There is a necessity to ensure that the language accurately represents the original purpose of the endowment fund. The committee agreed to review current bylaws to ensure the language for each section fully aligns with the intention of the endowment fund and therefore agreed the committee would review and if necessary, take a vote to make changes to match. Justin Anderson

and Ra'Chel Ford will work with the attorneys to redline the current bylaws to ensure the purpose of the original bylaws. The redline will be circulated prior to the next committee meeting for review and discussion and vote if needed.

- Two additional questions were presented and resolved relating to Articles 8 and 10.
- Dennis Love Motioned to adopt the Articles of Incorporation of KIPP MAC Endowment Inc., Frank Gloer seconded. No Discussion. Approved unanimously.

## Portfolio Performance

- Duncan Edwards of CIBC reported as of September 30, 2024. The total value of the account was \$3,920,524, which is up +1.7% for September, and up +16.6% calendar YTD (Net of fees). Account paced slightly behind the blended index for September (+1.7% vs +2.0%), with cash being the drag. Cash level is at \$757k, and cash is yielding 4.83%. As of the report sent to committee members on October 18, 2024, the portfolio is out of line with IPS guidelines – due to cash level above maximum range – this has been reviewed and discussed with the committee. As part of the dollar cost average approach to work cash down, the fund began investing \$30k monthly beginning in October – pro rata between domestic and foreign equity buckets to bring that cash down. At current pace we will be within IPS guidelines in 7 months and to our target within 14 months.
- Questions received and answered about whether KIPP should explore investing the \$30K differently; response offered splitting the \$30K in thirds. The committee discussed the options of staying the course or exploring different options.
- The committee agreed on allocating \$160K in the VEU and then moving \$20K monthly into the S&P and monitoring until we get cash down to 8%, which will take approximately 7 to 8 months.

## Meeting Close

- Tom Avery thanked the committee and KIPP staff and guests for attending and participating in the meeting. Tom Avery called for a motion to close the meeting, moved by Dennis Love and seconded by Frank Glover. Approved unanimously.

*The October 21, 2024 Finance Committee meeting was adjourned at 6:45 p.m. Minutes taken by Ra'Chel Ford, Deputy Chief Executive Officer.*