FORMAL ESTABLISHMENT OF THE JIM KING FUND SUBCOMMITTEE

1. **Subcommittee:** In accordance with the guidance regarding the membership of the initial Subcommittee of five set forth in the language of the November 17, 2020 Gift Agreement, there should be a Subcommittee of five. Although the LSRC board officially chooses the Subcommittee, I strongly recommended that the board approve that the Subcommittee should be permanently composed of:

- LSRC President (during their term)
- LSRC Past President (during their term)
- LSRC Improvements Chair (during their term)
- non-board member (no set term: serving at the mutual pleasure of the non-board member and the LSRC board)
- non-board member (no set term: serving at the mutual pleasure of the non-board member and the LSRC board)

That would put the three board members who would have already had at least one year on the board on the Subcommittee and, therefore, should have good awareness of expenditures that would be appropriate for the Jim King Fund. The two non-board members should be residents of Lafayette Square who are familiar with the needs in our community from their past service (as board members or otherwise) and their continuing engagement in the community. Rather than provide them with terms, I hope the board would see that the Subcommittee would be well served if those two non-board members would be allowed to continue on the Subcommittee as long as it is mutually agreed. That would allow for some level of continuity since at least two members of the Subcommittee would have "institutional knowledge," and would be familiar names and faces to Paul King in our ongoing communications and meetings with him.

Included in the board's approval, I ask that the board approve me as one of the two non-board members. I also recommend that Sarah Hurst, a former LSRC Treasurer who has been very involved in the Lafayette Square community, be approved as the other non-board member.

2. **Policies and Procedures**. The Subcommittee and the board need written policies and procedures established. I propose the following policies and procedures:

1. LSRC Board must approve the Jim King Fund Subcommittee for the next calendar year by December of the preceding year. (If we have a Subcommittee as suggested above, that will be a formality unless there is a vacancy in one of the two non-member positions.)
2. The Subcommittee (based on a majority vote of the Subcommittee members) must make written requests to the LSRC board for expenditures from the Jim King Fund. That may be multiple requests throughout the calendar year or a single request.

3. Per the Gift Agreement, the Fund's expenditures in any calendar year cannot exceed "4% of the fair market value of the Fund's assets as of the last business day of the immediately preceding calendar year."
4. Expenditures must be consistent with the "Guiding Principles" on page 2 of the Gift Agreement.
5. The LSRC board must vote to approve the specific expenditures of the Jim King Fund based on the Subcommittee's requests.
6. The LSRC president will then send written instructions to Modern Dollar authorizing the specific expenditure(s) from the Jim King Fund.
7. [To be determined: Whether it is better to have Modern Dollar write a check from the Jim King Fund to the LSRC or somehow link the accounts. Convenience and internal control must be considered.]
8. The Subcommittee must meet with the fund manager at least once and that should be in January or February of each year.