

AEG FOUNDATION



CHARTER

CHRISTOPHER C. MATHEWSON TEXAS SECTION SCHOLARSHIP FUND

SUPPORTING UNDERGRADUATE AND GRADUATE GEOLOGY STUDENTS IN
TEXAS THROUGH SCHOLARSHIP GRANTS

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THE PURPOSE OF AEG FOUNDATION FUND CHARTERS

An AEG Foundation Fund Charter is a document adopted by the Board of Directors. It describes (as applicable)

- the history of a fund,
- donor intent,
- the purposes for which the fund may and may not be used,
- the Board's goals for the fund,
- administrative operating criteria, and
- financial operating criteria.

A Fund Charter demonstrates the Board's commitment to prudent management of the Foundation's resources and compliance with applicable laws and regulations. Within the framework of AEG Foundation governance, a Fund Charter is a policy document that may be amended or interpreted by the Board through a simple majority vote. A Fund Charter may refer to other documents that further describe the operations and nature of a fund. Formal Resolutions of the Board that apply to a particular fund will be attached to the Fund Charter as appendices.

Board Resolution No. 2006-1, dated May 26, 2006, requires the AEG Foundation to conform to Statement of Financial Accounting Standards No. 117, published by the Financial Accounting Standards Board (1993). Accounting terms used in the Charter have the meanings defined in SFAS No. 117.

The original Charter for the AEG Texas Section Scholarship Fund was duly adopted by the Board of Directors of the AEG Foundation on September 25, 2007. This revision to the Charter, including the name change, was adopted by the Board of Directors of the AEG Foundation on April 9, 2011.

By:

William K Smith, Secretary

FUND CHARTER

CHRISTOPHER C. MATHEWSON

TEXAS SECTION SCHOLARSHIP FUND

INTRODUCTION

The AEG Texas Section Scholarship Fund was established within the AEG Foundation in 2007 at the request of Texas Section of the Association of Environmental & Engineering Geologists (AEG). Initial funding was acquired in a special fundraising event hosted by the Texas Section on February 9, 2008. Major funding came from sponsorships developed by the Texas Section and event ticket sales. The fundraising program was supported by the AEG Foundation and managed by the Texas Section.

The fund was inspired by the many geologists who have dedicated their time, efforts and careers to teaching, research and promotion of the practice of hydrogeology, and environmental and engineering geology in Texas.

PURPOSE AND SCOPE

In adopting this Fund Charter by motion at the AEG Foundation Board of Directors meeting on September 25, 2007, the Board stated the purpose and scope of the AEG Texas Section Scholarship Fund as:

The AEG Texas Section Scholarship Fund supports geologic studies by students at the undergraduate and graduate levels. Recipients of grants must be students enrolled in an accredited Texas college or university, or graduate students enrolled in an accredited university outside Texas but conducting their field studies inside Texas. Awards will be made by the AEG Foundation to outstanding and deserving students based on demonstrated ability, scholarship, potential for contributions to the profession, character, and participation in student/professional societies.

FUND ADMINISTRATION AND OPERATION

General Conditions

Grants from the Christopher C. Mathewson Scholarship Fund are intended to recognize and support deserving undergraduate or graduate students who are Student Members of the Association of Environmental & Engineering Geologists. The Fund does not support general and administrative (overhead) costs, technical or scientific consulting fees, or equipment purchase or maintenance costs of an educational institution employing or teaching individuals who receive grants from it.

Christopher C. Mathewson Scholarship grants are not payment for services and are intended by the Foundation to be “qualified scholarships” as defined by the Internal Revenue Service. The AEG Foundation shall issue IRS Form 1099 to grant recipients in accordance with IRS regulations. Recipients will be asked to provide the necessary information to complete the Form 1099 upon receipt of their grant. Recipients should consult their tax advisors regarding taxability of the grant

In keeping with the Internal Revenue Code classification of the AEG Foundation as a 501(c)(3) charitable organization, the Foundation will not make grants supporting activities or publications that are designed to be used to influence political decisions or processes. The AEG Foundation Board of Directors will make all decisions regarding disbursement of grants from the Texas Section Scholarship Fund in its sole discretion.

In applying for a grant from the AEG Foundation, the grant applicant agrees to

- use the funds received from the AEG Foundation for the proposed use
- use the funds in accordance with applicable law and regulation
- avoid activities in the use of the funds that would jeopardize the AEG Foundation’s tax-exempt status,
- provide the Foundation with a brief written report on the research sponsored by the grant (suitable for publication in the AEG News), and
- maintain student membership in the Association of Environmental & Engineering Geologists during the life of the grant.

Application Review and Awards

Applications are reviewed and ranked by a Selection Committee. The chair of the Selection Committee will be approved by the Foundation Board of Directors. The Texas Section is responsible for staffing the Selection Committee. The AEG Foundation will appoint one Foundation Director as a voting member of the Selection Committee to act as liaison between the Foundation and the Committee. Awards will be made based on demonstrated ability, scholarship, potential for contributions to the profession, character, and participation in student/professional societies.

Minimum requirements for a scholarship grant include enrollment as an undergraduate- or graduate-level student majoring in geology at an accredited college or university, an overall grade point average (GPA) of 3.0 out of 4.0, student membership in AEG and sponsorship by an AEG Active Member. Grant recipients must agree to maintain their student membership in AEG throughout the life of the grant, and to present a short report describing use of the funds and any findings resulting from studies supported by the grant. The Application Form, available on the AEG Foundation web site, provides full instructions.

Each calendar year, the Foundation plans to award scholarships depending upon funds available. One or more scholarships may be made available each year, as funds allow. All decisions of the Selection Committee are final. The Selection Committee may recommend one or no award if it chooses.

Management Protocols for the Texas Section Scholarship Fund

The fund management protocols represent a desire by the Board to achieve long-term stability in the administration of the Foundation's assets and uniformity in the administration of its scholarship funds and programs. The objective of protecting certain funds from invasion is supported by implementing Board-Designated Set-Asides as the fund balance grows.

Texas Section Scholarship Fund Management Protocols

1. The Board will at least annually review the Fund balance and its allocation, considering establishing or changing Board-designated set-asides.
2. The original corpus of the fund will be classified as a Temporarily Restricted Net Asset.
3. Net proceeds from all fund raising events are Temporarily Restricted Net Assets.
4. Earnings of invested assets of the Fund are Unrestricted Net Assets.
5. Donations to the Fund are Unrestricted Net Assets unless the donor stipulates another specific purpose or classification.
5. The Board may accept donor-designated gifts to the Fund that have time or purpose limits. These donations are Temporarily Restricted Net Assets, and earnings from them are Unrestricted Net Assets. The Board's Gift Acceptance Policy will apply.
6. Identifiable costs directly related to the operation of the Fund may be expensed to the Fund.
7. The Board may assess an administrative support fee to assist in funding the Foundation's general administrative and fundraising functions.

GOALS ADOPTED BY THE BOARD OF DIRECTORS

Long-Term Use of the Fund

The Board believes that the Christopher C. Mathewson Scholarship Fund Purpose and Scope made a part of this Fund Charter are consistent with the Foundation's mission and authority. The Board believes that the Fund should grow to make more or larger awards. These opportunities exceed the support level available from the present fund balance.

Fund Balance Goals

The Board sets the long-term funding goal for the Texas Section Scholarship Fund at \$200,000. For fund development purposes, this goal is divided into \$25,000.00 increments.

SCHEDULE FOR REVIEW OF CHARTER, FUND OPERATIONS, AND GOALS

The Board may maintain this charter unchanged or make revisions at any time. This fund charter shall be reviewed by the Board of Directors at least every five years on a schedule to be determined by the Board. The Programs Committee shall prepare a review report with recommendations for consideration by the board at that time. The Board may reclassify net assets described in this Charter under the concepts of SFAS 117 if additional information is brought forward justifying such reclassification.

APPENDIX ONE FUND HISTORY

Donations and Donor Intent

In the July 28 2007 meeting of the Texas Section of the Association of Environmental & Engineering Geologists, the section voted to create a scholarship fund. AEG member Robert Traylor proposed a fundraising event to support the proposed Texas Section Scholarship fund.

An exhibit of the original skeletal remains of “Lucy” is planned by the Houston Museum of Natural Science. She is the most complete Australopithecus afarensis fossil yet to be found. She was discovered in Ethiopia by Dr. Donald Johanson in November 1974, and she is to be displayed in the Houston Museum of Natural Science from August, 2007, through April, 2008. Robert Traylor proposed an “Evening with “Lucy” and her discoverer Dr. Donald Johanson” at the museum.

This is a once-in-a-lifetime opportunity to see Dr. Johanson and Lucy together and hear their story. The Texas Section voted to pursue the fund raiser and Past Texas Section Chair Kevin Coleman suggested contacting the AEG Foundation to manage the Scholarship fund. Upon further investigation, the fundraiser was found to be feasible. Preparations were undertaken to develop contracts with both the Houston Museum and National Geographic Society Speakers Bureau for Dr. Johanson’s appearance, and to obtain underwriting sponsorships. The fundraiser is scheduled for February 9, 2008.

Upon closing the books for the Texas Section fundraising event on February 9, 2008, the net proceeds became the initial temporarily restricted net assets of the Texas Section Scholarship Fund.

The Foundation’s fund-raising literature does not specify that a donation to the Texas Section Scholarship Fund, except as directed by the donor, will be treated as “restricted” in any way, or that some amount of the donation will be retained as an “endowment” in that named fund.

APPENDIX TWO
HISTORY OF INCOME, EXPENSES, AND DISBURSEMENTS

Texas Section Scholarship Recipients

2009—Lorna Hanko

Sevon Geil

2010 Eric Stiffler, Texas A&M University

Christopher C. Mathewson Scholarship Recipients

2011 Bach Huy Pham, University of Texas at Dallas

APPENDIX THREE
BOARD RESOLUTIONS AND MOTIONS

- 09/25/2007 Original Charter approved by the Board of Directors
- 04/09/2011 Name changed to Christopher C. Mathewson Scholarship Fund at the request of the Texas Section.
Selection Committee chair to be approved by Foundation Board.
Gifts and earnings reclassified as Unrestricted Net Assets.
Charter review schedule changed to at least every five years.