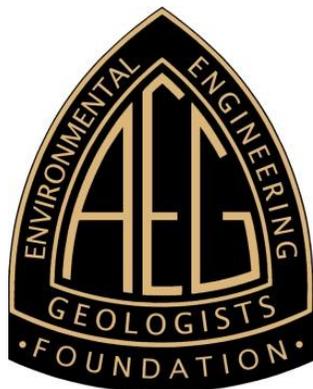


AEG FOUNDATION



CHARTER

ROBERT F. LEGGET PUBLICATION FUND

SUPPORTING PUBLICATIONS AND PUBLIC OUTREACH IN
ENVIRONMENTAL AND ENGINEERING GEOLOGY

**AEG FOUNDATION
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THE PURPOSE OF AEG FOUNDATION FUND CHARTERS

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

- fund purpose and scope
- 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 accounting and legal standards. 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 history, nature, and operations of a fund. Formal Resolutions of the Board that apply to a particular fund are attached to the Fund Charter as appendices.

This revision of the Charter for the Robert F. Legget Publication Fund of the AEG Foundation was duly adopted by the Board of Directors of the AEG Foundation on February 29, 2012.

By:

William K. Smith, Secretary

FUND CHARTER

ROBERT F. LEGGET PUBLICATION FUND

INTRODUCTION

The Robert F. Legget Publication Fund (Legget Fund) was established by the Foundation (then the Engineering Geology Foundation) in 1993 to support publications in engineering geology. The fund name honors the work and contributions of Dr. Robert F. Legget (1904-1994), who promoted the application of geology to the design and construction of the built environment through his teaching and books. A history of the Legget Fund is provided in Appendix One to this Charter.

ORIGINAL PURPOSE AND SCOPE

The original description of the type and range of publications that might be supported by the fund is in Appendix One to the minutes of the Foundation board meeting of March 28, 1996. It reads:

The Foundation publication program includes future publication of benchmark papers, bibliographies, catalogues of services and instrumentation, and research reviews in Engineering Geology. On-going activities are focused on publication of a definitive *Bibliography of Engineering Geology* scheduled for publication in early 1996 with subsequent annual updates. Future activities include publication of Engineering Geology case history slide .35 mm slide presentations, publication of collections of benchmark papers in various facets of Engineering Geology, possible re-publication of the Geology of Cities series into appropriate reference volumes, annual publication of a review of research and publications in engineering geology and geological engineering. The program further plans to publish an annual catalogue of geotechnical instrumentation and services available, beginning with North America and overseas later on. Annual publication of statistics on employment in engineering geology and geotechnical engineering is also planned.

MODERN PURPOSE AND SCOPE

In adopting this Fund Charter by motion at the AEG Foundation Board of Directors meeting on April 9-10, 2006, the Board modernized and restated the purpose and scope of the Legget Fund as:

The Robert F. Legget Fund of the AEG Foundation supports publications and public outreach in engineering geology and environmental geology that serve as information resources for the professional practitioner, students, faculty, and (or) the public. The fund also supports public education about the interactions between the works of mankind and the geologic environment.

The subject matter scope of publications supported by the Legget Fund may include original works, reviews, compilations, symposium proceedings, benchmark papers,

bibliographies, databases, memorials, biographies and oral history interviews of those who made valuable contributions to the progress of the science and profession of engineering geology, and studies of the demographics of the profession, inter-professional relations, and the role of the profession in society. The publication venue of supported publications may include print media, electronic media, internet publication, and audio-visual media. The Legget Fund may support reprints of publications within its scope and the conversion of publications in one medium to another. In making grants for these purposes, the Foundation will require an appropriate level of peer review and editorial quality.

Public education activities that the fund can support include K-12 teacher resources, publications to inform the public about the interactions between the works of mankind and the geologic environment, and signage or explanatory materials at public locations of interest for their engineering geology or environmental geology significance.

FUND MANAGEMENT

General Conditions

Grants from the Legget Fund are intended to support public education activities, and the technical and production editing of eligible publications, production costs, page charges, and conversion of print media to electronic form. The Legget Fund may also support the costs of publishing eligible works as web-based publications. The Legget Fund does not support research costs of individuals or organizations leading to publication, nor does it support general and administrative (overhead) costs, technical or scientific consulting fees, or equipment purchase or maintenance costs of organizations or individuals receiving grants from it. All publications supported by the Legget Fund must be carefully edited and peer reviewed. 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 publications that are designed to be used to influence political decisions or processes. The AEG Foundation Board of Directors will make, in its sole discretion, all decisions regarding grants from the Legget Fund, acceptance of donor conditions on gifts, and fund management.

In applying for a grant from the AEG Foundation, the grant applicant agrees to abide by the terms of the Grant Application and Agreement, and to

- use the funds received from the AEG Foundation directly 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,
- track the receipt and expenditure of grant funds in its bookkeeping and accounting system in a way that provides a clear audit trail demonstrating compliance with

appropriate accounting standards and the terms of the Grant Application and Agreement,

- provide the Foundation with written interim (if required) and final reports that document the project and demonstrate compliance with grant conditions, and
- acknowledge the support of the AEG Foundation in press releases or announcements about the publications, in the publications, and in the advertising for them, in a manner consistent with usual and customary practice.

Additional grant conditions are imposed on each grant as appropriate through the mechanism of the Grant Application and Agreement.

Management Protocols for the Legget Fund

Recognizing the value of structured management of the funds, the Board initially adopted this Fund Charter and protocols for the management of Legget Fund assets and earnings by a motion approved at its April 9-10, 2006, meeting. Accounting terminology in this charter is intended to conform to Accounting Standards Codification (ASC).

Legget Fund Management Protocols

1. Unless otherwise specified by the donor, contributions to the Legget Fund are classified as Temporarily Restricted Net Assets in accordance with Accounting Standards Codification (ASC) until such contributions are expended for purposes consistent with this Charter. Earnings from contributions are classified as Unrestricted Net Assets, unless otherwise specified by the donor. The Fund may accept contributions with time or purpose limits consistent with this Charter. The Foundation's gift acceptance policy will apply. The Board may from time to time reclassify assets of the Fund in accordance with ASC, consistent with donor intent.
2. Identifiable costs directly related to the operation of the Legget Fund may be expensed to the Legget Fund.
3. The Board may assess an operational 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 Legget Fund

The Board confirms that the Legget Fund Purpose and Scope made a part of this Fund Charter is consistent with the Foundation's mission and authority. The Board believes that the Legget Fund can and should serve a true need for public education. The opportunities exceed the support levels available from the present fund balance.

Fund Balance Goals

The Board sets the long-term funding goal for the Robert F. Legget Fund at \$100,000. For fund development purposes, this goal will be divided into \$25,000 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 ASC if additional information is brought forward justifying such reclassification.

REFERENCES

Tepel, Robert E., 2006a, memorandum to AEG Foundation Board of Directors, Summary of *ad hoc* committee telephone conference call, May 17, 2006. 2 pages.

Tepel, Robert E., 2006b, President's Report, prepared for Board of Directors Teleconference Meeting May 26, 2006, AEG Foundation Program Funds: Donor Intent and Fund Operating Restrictions. 35 pages.

APPENDIX ONE: FUND HISTORY

Original Purpose of the Legget Fund

The Foundation started operations in 1993, and six funds (including the Legget Fund) and affiliated programs (including the publications program) were created early that year. The general organization of the early funds is described by Richard W. Galster in a 2005 email to Foundation president Robert E. Tepel. The pertinent text reads:

The original six funds were suggested (by me) in a working document dated January 1993 and were approved by the Board shortly thereafter.... The concept was to give ourselves and potential donors the kind of programs the Foundation planned to work on with funds donated. We weren't thinking of endowments at that time; just trying to give donors a choice as to what kind of programs they might prefer their donations to assist. An undesignated donation could be placed in any of these funds at the discretion of the Board or left in a general fund for future use.

In a working document dated 11-5-1993, prepared for board use, the Legget Fund is described as a “fund for annual and special publications.” In that document, the contemplated scope of the Publications Program is described as:

3. Publication Program:

- a. Republish Geology of Cities series into appropriate reference volumes.
- b. Annually publish a review of research and publications in engineering geology and geological engineering.
- c. Republish collections of benchmark papers in various facets of engineering geology.
- d. Publish annual statistics on employment in engineering geology.
- e. Publish an annual catalogue of geotechnical instrumentation and services-North America to begin with and overseas later on.
- f. Publish Bibliography of Engineering Geology.

Later, the general scope contemplated for the publications program that was to be supported by the Legget Fund was described in Appendix One to the minutes of the Foundation board meeting of March 28, 1996. It reads:

The Foundation publication program includes future publication of benchmark papers, bibliographies, catalogues of services and instrumentation, and research reviews in Engineering Geology. On-going activities are focused on publication of a definitive *Bibliography of Engineering Geology* scheduled for publication in early 1996 with subsequent annual updates. Future activities include publication of Engineering Geology case history slide .35 mm slide presentations, publication of collections of benchmark papers in various facets of Engineering Geology, possible re-publication of the Geology of Cities series into appropriate reference volumes, annual publication of a review of research and publications in engineering geology and geological engineering. The program further plans to publish an annual catalogue of geotechnical instrumentation and services available, beginning with North America and overseas later on. Annual publication of statistics on employment in engineering geology and geotechnical engineering is also planned.

Donor Intent

In recent years, the Legget Fund received three Temporarily Restricted donations, all with time or purpose limits. One was a contribution to support publication of the Perspectives CD, a compilation of educational professional practice articles by Allen Hatheway, a second was to assist AEG in transferring recent years of its journal publication archive to electronic media and making it widely accessible to the profession and the public via the internet, and the third was to assist in funding a CD of symposium proceedings published by the Association of Environmental & Engineering Geologists. These donations were treated as Temporarily Restricted Net Assets and the income from investing them was treated as Unrestricted Support.

With the exception of the recent donor-restricted gifts, contributions to the Legget Fund have been relatively small and few. Review of Foundation records reveals no other specific expressions of donor intent. That is, the donors of those small contributions expressed no intent other than what we may infer as a desire that their donations be used at the discretion of the board for the publications program as they understood it, and as it evolved over time. All such donations to the Legget Fund are classified as Unrestricted Net Assets. Investment earnings on these donations are Unrestricted Support.

Characterization of Restrictions on Use of Legget Fund Donations and Earnings

Based on 1) the retrospective provided by Galster in his 2005 email to Tepel, 2) the bylaws provisions in effect through April 9, 2006, and 3) a study of all available Board Minutes and other records by Tepel (2006a, b), it is fair to say that donations to the Legget Fund have been appropriately treated as either Unrestricted Net Assets or Temporarily Restricted Net Assets, and the earnings from invested assets have been appropriately treated as Unrestricted Support, even though the AEG Foundation did not adopt the Statement of Financial Accounting Standards No. 117 until May 26, 2006.

The Foundation's fund-raising literature does not make (and has not made) a promise that a donation to the Legget Fund, absent specifically stated donor intent, will be treated as part of Permanently or Temporarily Restricted Net Assets.

APPENDIX TWO: FUND BALANCE HISTORY

Fund Balance History

Grants

APPENDIX THREE

BIOGRAPHICAL INFORMATION FOR ROBERT F. LEGGET

(Modified from Honorary Member citation in *Bulletin of the Association of Engineering Geologists*, vol. IX, no. 4, p. 358, 1972, and other sources.)

Robert F. Legget was born in 1904 in Liverpool, England, of Scottish parents. He graduated with honors in civil engineering in 1925 and earned a M.Eng. in 1927 from the University of Liverpool. Here he had the good fortune to learn geology, in lecture room and field, from Prof. P.G.H. Boswell, who showed him the relevance of geology to civil engineering. This was reinforced by his early engineering experience on the Lochaber water-power project in Scotland that included a 32-ft diameter tunnel under Ben Nevis.

Coming to Canada in 1929, he spent a further seven years on heavy engineering works, mainly foundations. Continuing his interest in geology he was encouraged by Dr. J.J. O'Neill of McGill University to prepare a paper on geology and civil engineering and this led to his writing *Geology and Engineering*, a book first suggested by Prof. Boswell. Published in 1939, it led to close association with Dr. C.P. Berkey.

In 1936 Dr. Legget joined the staff of Queen's University, Kingston, but was invited to the University of Toronto in 1938. Here he established the first soil mechanics laboratory in Canada. Work on several of Canada's major war-time construction projects, between heavy teaching duties, gave further experience in foundation work, culminating in his direction of the sub-surface studies for Canada's first subway, for the Toronto Transportation Commission.

In 1947 he was invited by the National Research Council of Canada to establish and to direct in Ottawa a new Division of Building Research. When he retired in 1969, DBR/NRC had a well-equipped headquarters Research Centre in Ottawa, four regional centres across the country, and a staff of over 240. Its work necessarily included soil and foundation studies throughout Canada, with pioneer research work in the North into problems of permafrost, started in 1950.

A complete revision of *Geology and Engineering* was published in 1962. In 1961 *Soils of Canada* was published under his editorship; it has since been revised and reprinted. Jointly with T. Fluhr he acted as editor for the first *GSA Reviews in Engineering Geology*, published in 1962. He was President of The Geological Society of America in 1966, having been elected a fellow in 1947 and previously serving as Chairman of the Engineering Geology Division in 1959-60. He was elected a Commonwealth and Foreign Fellow of the Geological Society of London in 1969. In 1971 he was elected to Honorary Membership in the Association of Engineering Geologists, the Association's highest honor. He wrote *Cities and Geology*, published in 1973, which earned him AEG's Claire P. Holdredge Award in 1974. Robert Legget was awarded twelve honorary doctorates including D.Eng. from his alma mater University of Liverpool in 1971.

He was one of fifty Canadians admitted as an Officer of the Order of Canada on its establishment in 1967 to mark the centenary of the Dominion. In 1989 he was promoted to Companion of the Order.

APPENDIX FOUR: BOARD RESOLUTIONS AND MOTIONS

- 04/15/2007 Original Charter adopted by AEG Foundation Board of Directors.
- 05/08/2010 Added “Publication” to the name of the fund and authorized biographical information to be added as an Appendix.
- 04/09/2011 Charter review schedule changed to at least every five years.
- 02/29/2012 Changes to fund management protocols.