

DECLARATION AND ESTABLISHMENT OF THE FOUR CORNERS GEOLOGICAL SOCIETY PERMANENT FUND

(May, 1988)

Source of Original Funds

The Four Corners Geological Society, since its inception, has never had significant cash funds. Numerous guidebooks have been published, field trips have been put on, sometimes at considerable financial risk to the Society and in all probability not always in good business practice. In recent years, two unusual events have occurred which generated income for the Society capital funds, as follows:

1. \$24,360 was received from major oil and gas companies holding title to the Four Corners Sample Cut Association.
2. Due to the generous financial support by oil and gas wireline service companies in Farmington, New Mexico for Volumes I and II of the "Oil and Gas Fields of the Four Corners" and the unusual sales success of Volumes I, II and III of the "Oil and Gas Fields of the Four Corners", substantial funds have accrued to the Society.

It is perceived by some of the members of the Four Corners Geological Society that these circumstances and events might not reoccur in the future of the Society, and these funds should be set aside in an interest bearing account to further the general purposes and aims and goals of the Society.

Purpose and Philosophy of the Permanent Fund

The Four Corners Geological Society Permanent Fund is established to generate funds for:

1. The continued growth of the Permanent Fund itself;
2. To provide funds to further the Society's primary goals, functions and activities.

The keystone precept and philosophy of the Permanent Fund is that the Fund itself is never to be placed at risk, and is to be invested only in the safest, highest grade and lowest risk financial institutions and financial investments available to the Society, and portions of the principal are to be spent, as described below, only in times of extreme need, if at all.

The principal of the Fund is defined as the original amount assigned to the Fund, capital added to the fund as described below under "Additions", and any interest accrued until such time as the interest is to be used to finance a publication or guidebook, as described below under "Use".

Investment of Funds – How Handled

In the interests of establishing a policy of long term fiscal continuity for the Permanent Fund, the Financial Trustees will manage the investments of the Permanent Fund, subject to approval of the Executive Committee as they perceive it to be in the best interest of the Four Corners Geological Society.

Co-mingling of Funds

The Permanent Fund is a distinct and separate entity and is never to be co-mingled with any other outside funds or any other funds of the Four Corners Geological Society. The Permanent Fund is to be fully accounted for at all times and can be added to as herein provided. As the interest is needed to finance a publication, a separate checking account will be established to facilitate handling of payments.

The amendment providing that the general membership of the Society must approve expenditures of \$2,500 or 10%, whichever is less, of the liquid assets of the Society shall apply to those funds outside of the Permanent Fund.

Additions to the Permanent Fund

Additions to the Permanent Fund can be made at any time and in any manner consistent with the goals of the Four Corners Geological Society. Normal additions are to be made in the following manner:

1. The interest generated by the Permanent Fund is to be added to the principal of the Permanent Fund. Interest may also be used as outlined in the "Use of the Interest" section.
2. Capital accumulations outside the Permanent Fund and not necessary for the general operation of the Society or budgeted for a project or publication should be added to the principal of the Permanent Fund as that capital reaches appropriate amounts. The Executive Committee, with the recommendation of the Financial Trustees, shall make this determination.
3. Gifts or bequests to the Permanent Fund are provided for elsewhere in this document.

Withdrawals from the Permanent Fund

Withdrawals from the principal of the Permanent Fund are permitted only in times of extreme need, if at all. The restrictions for the withdrawal of funds from the principal are intended to be difficult in order to preserve these funds beyond immediate and possibly frivolous and unnecessary needs.

Withdrawals shall need to meet the following conditions:

1. Withdrawals must be approved by two-thirds (2/3) of the Executive Committee and two-thirds (2/3) of the Society members attending the annual business meeting and re-approved by two-thirds (2/3) of the Executive Committee and two-thirds (2/3) of the Society members at a scheduled meeting between six to twelve months after original passage, but not before a subsequent election of officers to the Executive Committee has occurred.
2. Withdrawals are limited to TWENTY-FIVE PERCENT (25%) of the principal amount at the time of actual withdrawal.
3. Withdrawals are limited to one every five (5) years.

Use of the Interest from the Permanent Fund

The interest from the Permanent Fund is to be dedicated to the highest and best use, such as guidebooks and publications, as determined by the Executive Committee and the

Society membership in general. The interest from the Permanent Fund should be added to and become part of the principal of the Permanent Fund. At such time that it is necessary to finance the cost of publications, interest then generated can temporarily be used for this purpose. Capital accumulated outside the Permanent Fund, and not necessary for the general operation of the Society, should be applied first to the cost of publications and other uses. It is fully expected that all general operating and overhead expenses of the Society are to be covered by membership dues and other sources. Interest from the Permanent Fund should not be used for routine general operating and overhead expenses.

General Procedures

General fiscally sound procedures will be developed by the present Permanent Fund financial trustees, presented to and approved by the Executive Committee and approved by the Society membership in general, as an addition to the By-Laws of the Society.

The history of the Permanent Fund, the Permanent Fund Declaration, and any other pertinent remarks are to be published in the next guidebook publication of the Four Corners Geological Society.

Bequests and Gifts

Upon the recommendations of the Financial Trustees, a majority of the Executive Committee and a majority of the membership voting at the annual business meeting, the Four Corners Geological Society Permanent Fund may accept gifts and bequests of any type. Providing, that such acceptance does not require the Four Corners Geological Society and/or the Permanent Fund to be at significant risk, financial or otherwise. When circumstances are such that there is doubt as to whether a gift or bequest should be accepted, good and prudent business practices shall prevail in the decision making process. The advice, counsel, ideas and sense of opinions of the membership should be sought in any matter concerning bequests and gifts. All bequests and gifts, unless otherwise specified by the donor, shall be added to the Permanent Fund.

Final Disposition and Dissolution of the Permanent Fund

If it becomes necessary to dissolve the Permanent Fund, due to the dissolution of the Society, or any other valid reason, it will be done with a recommendation of the Financial Trustees, two-thirds (2/3) majority approval of the Executive Committee and two-thirds (2/3) majority approval of the Society members present at a properly convened annual business meeting. With the recommendation of the Financial Trustees, two-thirds (2/3) approval of the Executive Committee and two-thirds (2/3) approval of the Society members attending a regular or business meeting, the Permanent Fund may be turned over to a similar permanent trust fund of the American Association of Petroleum Geologists, Rocky Mountain Association of Geologists, or any other similar professional group, on some fair and equitable basis as determined by the Executive Committee and Society membership. The assets of the Society will be distributed as provided for in Article VI of the Constitution of the Four Corners Geological Society. None of the funds, proceeds or assets shall be assigned to any person(s) and no member shall benefit personally, in any way.

Signed by R.A. Ullrich, J.A. Ellingson and E.A. Riggs, May, 1988.