

77-17

The Value Foundation

September 14, 1977

Mr. Lawrence D. Miles
Route 5 - Box 840
Sedgefield
Easton, Maryland 21601

Dear Larry:

A group of professional Value Engineers have formed the Value Foundation to further the use of the Value methodology to conserve energy, money, manpower and otherwise improve products, buildings, methods, systems, processes and procedures. As you know, we have found that any function which has some means of being measured can be improved by a Value study.

Our Foundation is designed to supplement the activities of the current Value professionals active in the Society of American Value Engineers (SAVE). We, unlike SAVE, are incorporated under that section of the Internal Revenue Code which permits donors to deduct gifts to the Foundation at 100 percent.

Our last board of directors' meeting has concluded its first formal vote on the subject of trustees of the Foundation. It is my pleasant responsibility to ask you to become a trustee.

The board believes that your expressed interest in Value methodology would encourage you to lend your support to our efforts. A copy of our articles of incorporation and our by-laws is included for your perusal.

As trustee, the demands on your time could be minimal, although we would hope you could at least attend our once-a-year Value Assembly, at our expense when we can afford it. In any event, we on the board want you to know that by merely associating yourself with our activities would be, we are convinced, a very real, substantial contribution to our Foundation.

Sincerely,



Harold G. Tufty, CVS
President

ENCL

hgt/rw

The Value Foundation

VALUE FOUNDATION BOARD OF DIRECTORS MEETING
Easton, Maryland - September 15, 1977

- 1- Reading and approval of the minutes of the previous meeting
- 2- Officers' reports
- 3- Old business -
Status report on:
 - (a) VE Theory Instructor's Guide
 - (b) Student text published in cooperation with SAVE
 - (c) Status report on new board members and trustees
 - (d) Tax Status
 - (e) Other old business
- 4- New business -
 - (a) Outreach
 - (b) Grants
 - (c) Other nominations for the board and trustees
 - (d) Other new business
- 5- Adjourn

BYLAWS

The Value Foundation

Approved: Board of Directors - May 24, 1977

Article I - Name

The name of the Corporation shall be:

The Value Foundation,

hereinafter referred to as the Foundation.

Article II - Objectives

The objectives of the Foundation shall be:

To advance the state-of-the-art and application of value technology through planning, research and education.

To plan, develop and implement strategies for the introduction of value techniques into new areas of business, commerce, and government.

To promote the scientific education of college or university students in the fields of value technology, cost control technology, and life cycle costing technology.

To establish a constituency of individuals concerned with improving the value of goods and services for consumers through research, development and demonstration value work.

To promote the general public awareness of the application of value technology through Foundation supported activities such as: publications, library centers, technology exchange, conferences, and studies.

Article III - Members

Section 1:

The membership in the Foundation shall be open to citizens, corporations, and associations. Corporate and association members shall, however, be subject to approval of the Board of Directors or the Executive Committee.

Section 2:

The categories of membership shall be as follows with annual gift as indicated:

- a. Citizen member \$ 25.00
- b. Contributing member \$ 100.00
- c. Donor member \$ 500.00
- d. Sustaining member \$ 1,000.00
- e. Patron member \$10,000.00

Section 3:

In addition to the categories set forth in section 2, above, there will be the following special categories of membership:

- a. Endowing members - those who pledge a single gift of \$25,000 or more.
- b. Founding members - those who affiliate with the Foundation within one year of its incorporation and pledge \$500 or more for the first year of the Foundation's operation or, who are significant contributors to the establishment of the Foundation and are so recognized by the Board of Directors within the first year.

Article IV - Honorary Members

Qualifications and election requirements for Honorary Members shall be as determined by the Board of Directors.

Article V - Management

Section 1:

The Foundation shall be governed by its Articles of Incorporation, by the laws under which it is incorporated, and by its Bylaws.

Section 2:

The affairs and business of the Foundation shall be managed by a Board of Directors and an Executive Committee. The Board of Directors shall have full control of the activities of the Foundation, subject to the limitations of its governing instruments. The Board of Directors shall have the power to regulate its own proceedings.

Article VI - Finances

Section 1:

It shall be the intent of the Foundation to conduct its exempt activities as a non-profit, private operating foundation.

Section 2:

Business of the Foundation shall be conducted so as to refrain from acting so that it will not be liable for the taxes imposed by the following sections of the Internal Revenue Code:

- a. 4941 - tax on self dealing
- b. 4942 - tax on failure to distribute income
- c. 4943 - tax on excess business holdings
- d. 4944 - tax on jeopardizing investments
- e. 4945 - tax on taxable expenditures

Section 3:

Directors of the Foundation shall serve without compensation.

Section 4:

No loans shall be made by the Foundation to its directors or officers. Directors who vote for or assent to the making of a loan to a director or officer, and any officer or officers participating in the making of such a loan, shall be jointly and severably liable to the Foundation for the amount of such loan until the repayment thereof.

Section 5:

All contributions to the Foundation shall be received by and pooled in a common fund, except that any donor who is a substantial contributor has the right to designate annually the exempt purposes which are to receive the income attributable to the donor's contribution. A substantial contributor is any person who contributed or bequeathed an aggregate amount of more than \$5,000 to the Foundation, provided the amount is more than 2 percent of the total contributions for the tax year.

Section 6:

Substantial contributors are disqualified persons for the receipt of any contracts, grants, or any other form of compensation from the Foundation.

Section 7:

The Foundation shall distribute substantially all its adjusted net income of the common fund, directly for the active conduct of its exempt activities, not later than the 15th day of the third month after the close of the tax year in which the income is realized by the fund.

Article VII - Directors

Section 1:

Qualifications of the constituency of the Board of Directors shall be as follows:

- a. The incumbent President of the Society of American Value Engineers shall, by the right of his position, serve as a Director of the Foundation.
- b. No fewer than 25 percent of the Directors shall be Certified Value Specialists (CVS) as specified by the Society of American Value Engineers.
- c. No more than 30 percent of the Directors shall be substantial contributors in the current or previous year of nomination.
- d. One member of the Board shall, if available, be a corporate member of the Society of American Value Engineers.
- e. One member of the Board shall be a Fellow of the Society of American Value Engineers.
- f. Membership on the Board of Directors shall be balanced with representation from: construction, industry, management, and government.

Section 2:

- a. Except as otherwise provided in Section 12 below, the Directors constituting the first Board shall serve for terms of three years; thereafter, each Director shall be elected for a term of three years, except that one-third of the Directors constituting the second Board shall be elected for terms of one year, one-third for terms of two years, and one-third for terms of three years (or as near one-third in each case as possible, depending upon the total number of Directors).
- b. The Board shall have power to adopt Bylaws of the Foundation not inconsistent with the Articles of Incorporation or the laws of the District of Columbia.

Section 3:

Not less than ninety days before each annual meeting of members, except the first and second annual meetings, the Chairman of the Board of Directors shall appoint a Nominating Committee of five members who shall nominate candidates for Director for the next following election. Not less than sixty days before such annual meeting, the Nominating Committee shall deliver to the President the name of a candidate for each office of Director to be filled at the next following election, together with a certification by the Chairman of the Nominating Committee that each such candidate is qualified for the office of Director and accompanied by a written statement signed by each such candidate that if elected as a Director, he will serve in such capacity. Other nominations of candidates for Director may be made by written petition signed by not less than one hundred members, delivered to the President not less than sixty days before such annual meeting, containing a certification that each candidate so nominated is qualified for the office of Director, and accompanied by a written statement signed by each such candidate that if elected as Director, he will serve in such capacity. The name of each duly nominated candidate shall be set forth on the ballot, and space shall be provided on the ballot for members to write in the names of, and vote for, other persons qualified for the office of Director.

Section 4:

Directors shall be elected by a vote of the members, by written ballot. The number of candidates for Director within categories of eligibility as determined by the Nominating Committee equal to the number of Directors to be elected, receiving the greatest number of votes shall be elected. Elections of Directors shall be conducted at the annual meeting of members by those present and voting.

Section 5:

Any vacancy occurring on the Board of Directors, including the office of Chairman, may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors.

Section 6:

A majority of the number of Directors, including substitutes, shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present, shall be the act of the Board of Directors.

Section 7:

After each annual meeting of members, the Board of Directors shall meet at the place of the annual meeting without notice, for the purpose of organization, appointment of an Executive Committee, the election of Officers and of the Chairman of the Board, and the transaction of other business. Other regular meetings of the Board of Directors may be held without notice at such times and places as a resolution of the Board may prescribe.

Section 8:

The Chairman of the Board of Directors shall be responsible for conducting meetings of the Board and for the formulation of policy, plans and programs of the Foundation. He shall be responsible to see that the mandates of the Board are carried out. He shall be elected by a majority of the members of the Board to a one year term.

Section 9:

The Vice President, Operations shall assist the Chairman and shall assume the position of Chairman, should that office become vacant or the Chairman be absent. The Vice President, Operations shall be nominated by the Chairman and be approved by a majority vote of the Board. He shall serve for a one year term.

Section 10:

The Board of Directors shall meet at least three times yearly. They shall approve all policies, programs, salaries and budgets for expenditure of funds. They shall review achievements and report to the membership. They shall elect the Officers of the Foundation.

Section 11:

The Secretary to the Board of Directors shall be appointed by the Chairman with the approval of a majority of the Board of Directors. He shall prepare Board meetings and Board reports and shall carry out duties as directed by the Board, or by the Chairman, incident to the functioning of the Board. The Secretary serves at the pleasure of the Chairman.

Section 12:

The first Board of Directors shall be composed of the five members specified in the Articles of Incorporation and up to ten other qualified citizens as nominated by the Chairman of the Board, within six months following the signing of the Foundation Charter, who shall become Directors with approval of the Board of Directors at a regular meeting. The Chairman shall adhere to Section 1, above, in submitting his nominations for the first Board of Directors. All nominees will serve for the first three years of the Foundation.

Section 13:

Should a Director be unable to attend any regular or special meetings of the Board, the Director may nominate a substitute as approved by the Chairman of the Board, who may act on his behalf in any matter coming before the Board. No member of the Board, however, may serve as a substitute for another member of the Board and, no proxies will be allowed for any vote taken by the Board.

Article VIII - Executive Committee

Section 1:

The Executive Committee shall be composed of the Chairman of the Board, and four Directors to be elected by the Board of Directors for one year terms, and the President and Treasurer as non-voting members.

Section 2:

The Executive Committee shall have general supervision of the affairs of the Foundation between meetings of the Board of Directors. It shall fix the hour and place of all meetings of the Board of Directors and shall approve expenditures and other actions of the Foundation as directed by the Board of Directors. None of its acts shall conflict with actions taken by the Board.

Section 3:

A majority of the Executive Committee shall be the quorum of the Committee.

Section 4:

Meetings of the Executive Committee may be called by the Chairman with a minimum of 72 hours notice. Notice may be waived by consent of all members of the Executive Committee.

Article IX - Officers

Section 1:

The Officers of the Foundation shall consist of a President, a Vice President Operations, a Vice President Programs, a Secretary, and a Treasurer. The President shall be elected by a majority of the members of the Board of Directors to a three year term. All other Officers shall be elected by a majority of the members of the Board and shall serve at the pleasure of the Board.

Section 2:

The President shall direct all operations of the Foundation. He shall act as official spokesman and shall be responsible to carry out the mandates of the Board and the Executive Committee. He shall prepare and submit policy, plans and budgets for Board approval. He serves as a non-voting member of the Board of Directors and Executive Committee unless filling a Director position on the Board at the time of his appointment as President. In which case, the President shall serve without compensation.

Section 3:

The Vice President Operations shall counsel and advise the President and shall act on behalf of the President as he may direct, and shall perform such other duties as conferred by the Board of Directors or the Executive Committee. He shall manage the day-to-day administration of the Foundation and shall act as contracting officer for all contracts awarded by the Foundation, or proposals for contracts or grants submitted by the Foundation. He serves as a non-voting member of the Board of Directors unless filling a Director position on the Board at the time of his appointment as Vice President Operations. In which case, the Vice President Operations shall serve without compensation.

Section 4:

The Vice President Programs shall be responsible for the planning, research and educational activities of the Foundation for the exempt purpose established. He shall prepare the annual report of the Foundation for the District of Columbia and file it with the Commissioner of the District of Columbia on or before the fifteenth day of April each year. Similarly, he shall prepare and file the annual report required by the Internal Revenue Service. He serves as a non-voting member of the Board of Directors and Executive Committee unless filling a Director position on the Board at the time of his appointment as Vice President Programs. In which case, the Vice President Programs shall serve without compensation.

Section 5:

The Secretary shall keep the minutes of all proceedings of the members, Board of Directors, and committees created by the Board. He shall attend to the giving and serving of all notices to the members and the Directors and other notices required by law, the Articles of Incorporation or the Bylaws of the Foundation, or otherwise. He shall affix the seal of the Foundation to deeds, contracts, and other instruments in writing requiring a seal when duly signed. He shall have charge of and maintain the records, books, papers, and files of the Foundation, other than those in the charge and custody of the Treasurer, and he shall perform all other duties incident to the Office of Secretary.

Section 6:

The Treasurer shall be responsible for the collection of all revenues of the Foundation, and he shall have the custody of all funds, securities, evidence of indebtedness, and other personal property of the Foundation. He shall deposit the funds of the Foundation in such bank or trust company as shall be designated by the Board of Directors. He shall receive and give receipts and acquaintances for monies paid to the account of the Foundation, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the Foundation, of whatever nature, upon maturity of the same. He shall enter regularly in books of the Foundation, to be kept by him for that purpose, full and accurate accounts of all monies received and paid out by him on account of the Foundation. He shall prepare, maintain, file and otherwise be responsible for all records, reports, statements, tax forms, papers, and actions whatsoever of a financial nature, required by law or the Articles of Incorporation or the Bylaws of the Foundation. He shall prepare the financial sections of the annual reports assigned to the Vice President Programs for filing. He serves as a non-voting member of the Board of Directors unless filling a Director position on the Board at the time of his appointment as Treasurer. In which case, the Treasurer shall serve without compensation.

Article X - Honorary Chairman

The Honorary Chairman shall represent the Foundation officially and shall submit recommendations to the Board of Directors and shall counsel with the Officers and Directors. He shall serve as Chairman of the Board of Trustees, and shall be elected by a majority of the members of the Board of Directors for a term of three years. He shall nominate Honorary Members of the Foundation for approval by the Board of Directors.

Article XI - Board of Trustees

Section 1:

The Board of Trustees shall meet once annually and shall make recommendations concerning the policy and objectives of the Foundation. Normally, this shall be at the Value Assembly described under Article XIII.

Section 2:

Trustees shall be eminent and distinguished scholars, managers, and professionals in many fields from both government and industry. In both their public and personal life, they must believe in the importance of value and endorse the objectives of the Foundation and be willing to serve as a Trustee without compensation.

Section 3:

Trustees shall be sponsored by the Honorary Chairman and two other Directors for nomination to the Board of Trustees. Trustees shall be elected for a three year term by a 75% vote of the Board of Directors. Absent Directors may be polled by telephone to secure the required margin.

Article XII - Standing and Special Committees

Such committees, standing or special, or as may be deemed necessary for the work of the Foundation shall be appointed by the President or by the Executive Committee. The President shall be an ex-officio member of all committees.

Article XIII - Meetings

Section 1:

The date of the annual meeting of the Foundation shall be set by the Board of Directors to occur each year during the month of September. Notice of the annual meeting shall be sent to all members 60 days prior to that date. The meeting will be held in Washington, D.C.

Section 2:

A Value Assembly shall be held each year in the city and location of the annual conference of the Society of American Value Engineers, on or about the scheduled dates of that conference. The Value Assembly will be open to all members of the Foundation and concerned citizens for the purpose of hearing the long range planning and objectives of the Foundation, receiving testimony and opinions concerning the programs of the Foundation, and deliberating on the recommendations will be made except for its public announcement by the Society of American Value Engineers and procedures for scheduling those that wish to speak.

Section 3.

The Board of Directors shall meet regularly at least three times annually, at the time of the Value Assembly, the annual meeting and once during January, the time and place to be set by the Executive Committee; and at special meetings at such other times as may be determined by the Executive Committee.

Section 4:

Other meetings of the Foundation shall be established by the Board of Directors.

Section 5.

The Executive Committee shall establish its own meeting schedule, and meetings shall be called by the Chairman, or in his absence, by the Vice President Operations.

Section 6.

Meetings of the Foundation shall be governed by the current issue of Robert's Rules of Order, provided it is not inconsistent with these Bylaws, the Articles of Incorporation or other rules of the Foundation.

Article XXIV - Amendments

These Bylaws and the Articles of Incorporation may be amended by a vote of two-thirds of the members present at a regular or special meeting of the Board of Directors, during the year following the signing of the Charter. Subsequently, they may be amended by a vote of two-thirds of the members present at a regular or special meeting of the Board of Directors, provided notice of such proposed amendment was delivered by mail or in person to each member of the Board not less than 15 days prior to the meeting at which the vote is taken. In the absence of a meeting, these Bylaws may be amended by a written ballot by a vote taken by mail consisting of two-thirds vote of the entire membership of the Board of Directors.

Article XV - Other Provisions

Any other provision, not inconsistent with law, the Articles of Incorporation, or these Bylaws, shall be in accordance with Title 29, Chapter 10 of the District of Columbia Nonprofit Corporation Act, for regulation of the internal affairs of the Foundation.

OFFICE OF RECORDER OF DEEDS, D. C.

**Corporation Division
Sixth and D Streets, N. W.
Washington, D. C. 20001**

C E R T I F I C A T E

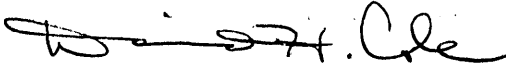
THIS IS TO CERTIFY that all provisions of the District of Columbia
Non-profit Corporation Act have been complied with and ACCORD-
INGLY this Certificate of _____ **Incorporation**

is hereby issued to the **THE VALUE FOUNDATION**

as of the date hereinafter mentioned.

Date **May 2, 1977**

PETER S. RIDLEY,
Recorder of Deeds, D. C.


David H. Cole

Superintendent of Corporations

ARTICLES OF INCORPORATION

OF

THE VALUE FOUNDATION

**To: The Recorder of Deeds, D. C.
Washington, D. C.**

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation adopt the following Articles of Incorporation for such corporation pursuant to the District of Columbia Non-profit Corporation

Act:

FIRST: The name of the corporation is The Value Foundation.

SECOND: The period of duration is perpetual.

THIRD: The purposes for which the corporation is organized are:

educational, professional, scientific, literary, civic, charitable, and for research and mutual improvement, planning, and for the promotion of social welfare by means of the widest use of Value Engineering, Value Management, Value Analysis, and other applications of the Value methodology.

FOURTH: The Corporation shall have members with such rights as

may be set forth in the by laws.

FIFTH: The number of directors or trustees of the Corporation shall

not be less than five (5) nor more than fifteen (15). The manner of their selection shall be provided for in the by laws.

SIXTH: The assets of the Corporation upon dissolution or final

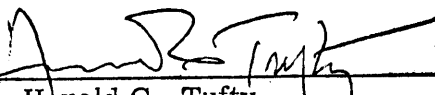
liquidation shall be distributed so as to pay, satisfy and discharge all liabilities and

SEVENTH: The address of the registered office of the Corporation is 986 National Press Building, Washington, D. C. 20045. The name of its registered agent at that address is Harold G. Tufty.

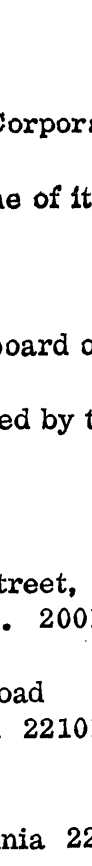
EIGHTH: Five directors shall constitute the original board of directors. They shall serve until successors are selected in a manner provided by the by laws. Their names and addresses are:

Mr. Harold G. Tufty	3812 Livingston Street, N. W. Washington, D. C. 20015
Mr. Donald E. Parker	1612 Brookside Road McLean, Virginia 22101
Mr. Michael N. Zabych	2620 Childs Lane Alexandria, Virginia 22308
Mr. Robert H. Rossman	5971 Wilton Road Alexandria, Virginia 22310
Mr. Jimmie L. Carter	E-Systems, Inc. - P. O. Box 1056 Greenville, Texas 75401

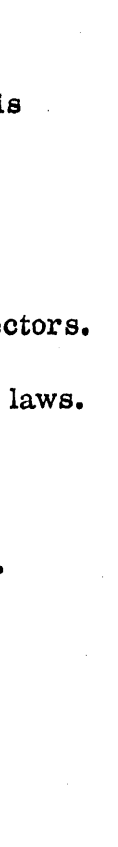
NINTH: The incorporators of The Value Foundation are:



Mr. Harold G. Tufty
3812 Livingston Street, N. W.
Washington, D. C. 20015



Mr. Donald E. Parker
1612 Brookside Road
McLean, Virginia 22101



Mr. Michael N. Zabych



Society of American Value Engineers

J. Jerry Kaufman
Immediate Past President

812 Suffolk Road
Jenkintown, Pennsylvania 19046
Office: (215) 643-1300
Ext. 2536

August 10, 1977

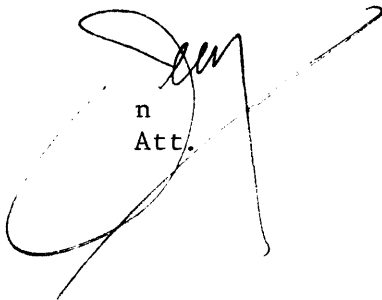
TO: The National Board of Directors
FROM: J. J. Kaufman
SUBJECT: A Critical Appraisal Plan - Attached

To Regional V.P.'s: Please read and respond to Action Items 1 and 2 noted in the Key Event Schedule, page 12.

I am also requesting approximately 20 minutes of agenda time to discuss this plan and attempt to answer any of your questions.

As an aside, Bill Dean has agreed to put together the "SAVE Goes Public" proposal which we hope to have ready by the next meeting in September.

If you have any questions, please contact me.


n
Att.