



POLICY

SUBJECT AREA: DONATION OF MONETARY ASSETS

Last Updated: May 20, 2020

Version 1.92

This document supersedes all previous policies and directives relating to the above subject area

B&O Railroad Historical Society

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CHANGE AND ACCEPTANCE LOG

| DATE | AUTHOR(S) | DESCRIPTION |
|------------|--|--|
| 01/10/2017 | Nick Fry, Christopher H. Winslow | Version 0.01 – Initial draft. |
| 01/24/2017 | Nick Fry, Christopher H. Winslow | Version 0.02 – Removed complimentary memberships, added additional wording to TimeSaver Supporter |
| 01/31/2017 | Nick Fry, Christopher H. Winslow | Version 0.03 – Changed default fund to General Fund, added language regarding other 300 Club possibilities |
| 02/02/2017 | Nick Fry, Christopher H. Winslow | Version 0.04 – <ul style="list-style-type: none"> • Deleted Time Saver donation level. • Replaced section on Short Term Policy Additions with statement on effective date of new policy • Capitol Limited Supporter level set at \$100,000 • Reworded the award levels. • Added a section allowing the executive committee to make special variations • Removed language regarding 300 Club possibilities to make it be Building, only, special appeal |
| 02/04/2017 | Christopher H. Winslow | Version 1.00 – Approved by Board of Directors |
| 02/12/2017 | Christopher H. Winslow | Version 1.01 – Corrected effective date from 01/01/2017 to 01/01/2018 |
| 02/20/2017 | D. Allen Young | Version 1.2 – Reformatted to standard policy template |
| 2/25/2017 | D. Allen Young | Version 1.3 – Modified Change Log page to Change and Acceptance Log, dropped separate Acceptance (signoff) page from Appendix |
| 10/28/2019 | Christopher H. Winslow | Version 1.4 <ul style="list-style-type: none"> • Moved formal definition of funds to financial policy documentation • Added statement regarding ad-hoc funds • Added statement about liquidation of stock • Abolished “300 Club” for new donations • Renamed, rewrote, & simplified section regarding reception of donations |
| 01/26/2020 | Christopher H. Winslow | Version 1.5 <ul style="list-style-type: none"> • Clarified that this policy refers to the donation of liquid assets and not to the donation of artifacts. • General review to improve clarity |
| 01/27/2020 | Christopher H. Winslow | Version 1.6 <ul style="list-style-type: none"> • Corrected a number of errors in text pointed out by Michael Shylanski |
| 05/04/2020 | Christopher H. Winslow | Version 1.7 <ul style="list-style-type: none"> • Clarified distribution of funds vs recognition level • Clarified definition of Sentinel Supporter |

| DATE | AUTHOR(S) | DESCRIPTION |
|-------------|------------------------|--|
| 05/09/2020 | Christopher H. Winslow | Version 1.8 <ul style="list-style-type: none">• In the introduction, clarified the single exception to this policy. |
| 05/15/2020 | Christopher H. Winslow | Version 1.9 <ul style="list-style-type: none">• Renamed to “Donation of Monetary Assets.”• Added requirement that the Society recognize donations, as requested by a donor. |
| 05/15/2020 | Christopher H. Winslow | Version 1.91 <ul style="list-style-type: none">• Reworded introduction to define monetary assets and to specifically exclude management of donation of artifacts, etc. from this policy. |
| 05/20/2020 | Christopher H. Winslow | Version 1.92 <ul style="list-style-type: none">• Corrected a typo in 1.0. The last 2 sentences are now 1 sentence. |

1.0 INTRODUCTION

This policy refers only to the donation of monetary assets. Generally, monetary assets are those assets that can be easily and quickly converted to cash. Examples of monetary assets are cash, stocks, and bonds. This policy does not refer to the donation of artifacts such as books, photographs, or to items that are generally considered to be collectibles. Policy regarding these type of donations is set by the Archives Committee. Items such as real estate or other real property shall be handled by the Society's Board of Directors on a case by case basis.

The Baltimore and Ohio Railroad Historical Society ("Society") has defined several different donation categories that are used to recognize its valuable financial supporters. Each of the categories specifies a different level of recognition. As any one donation increases in size, the level of recognition escalates. For purposes of categorizing the level of a donation, each donation is treated as a single donation. That is multiple donations are not lumped together and treated as a single larger donation. A single donation of \$10,000.00 is treated as one \$10,000.00 donation. Ten \$1,000.00 donations are treated as ten different \$1,000.00 donations. There is one exception to this rule. There is a single donor that is contributing \$1,000.00 per year for a period of 10 years under a previous version of this policy. At the end of the 10-year period, that donor will be recognized as a National Limited Supporter

2.0 DEFINITION OF FUNDS

The Society accepts donations into a number of different funds. Some of those funds are standing funds that always exist. Any other funds are *ad hoc* funds that are created by the Directors for specific purposes. The standing funds, along with their definitions are listed below. Note that the fund definitions listed in this document are for convenience only. The formal definition of those funds resides within the overall financial policy. Text in the overall financial policy documentation shall always override the definitions shown below.

1. **Archives Projects Fund:** This is a restricted fund. Donations to this fund are used only for the purchase of archival material or for equipment, supplies, and software to be used to develop and catalog archival material.
2. **Building Fund:** This is a restricted fund. Donations to this fund are used only for the purpose of purchasing, improving, and maintaining real property used by the Society to accomplish its mission.
3. **General Fund:** This is an unrestricted fund. Donations to this fund may be used for any purpose just so long as that purpose assists the Society in accomplishing its mission.

The Directors may abolish any of the *ad hoc* funds that they have created. When an *ad hoc* fund is abolished, the Directors shall direct the Treasurer to transfer the balance in the abolished fund to one of the existing funds.

A donor may specify how any single donation is to be distributed amongst any of the funds that may exist at the time that the donation is made. The total value of a donation defines the category, or level, for that donation. Categories, or levels, of donations are defined below.

If a donor participates in a corporate matching grants program, the donor will receive credit for their individual donation. The corporate entity making the matching grant will receive credit for the matching grant.

As the Society is a Federally recognized 501(c)(3) organization, cash donations may be tax deductible. Each donor's actual tax position regarding donations is left to the donor and the donor's tax advisor.

In the case of the donation of stocks or other securities, the Society will use the value of the security at the close of business on the day that the security was donated to define the level of support. This does not imply that the donation's level of support defines the donor's tax position regarding the donation. It merely specifies a rule for defining the level of support to the Society. The donor's tax position is the business of the donor and the donor's tax advisor. The Directors reserve the right to liquidate stock donations at any time that they deem to be appropriate.

All contributions will be credited to the General Fund unless the contributor specifies otherwise.

All contributions of \$100.00 or more will be recognized with a letter of acknowledgement and thanks from the Society. For contributions less than \$100.00, a letter of acknowledgement and thanks shall be sent by the Society if the donor so requests. For contributions that meet the award levels listed below, contributors will receive a letter of acknowledgement and thanks from the Society that details the recognition that they can expect to receive. All letters will list the distribution of the contribution amongst any of the Society's funds. While these letters may be drafted by anyone, they are forwarded to the Corporate Secretary for signature and posting to the contributor. Sample letters are included with this policy.

3.0 LEVELS OF DONOR RECOGNITION

The levels of recognition for donations to the Society are:

- **Capitol Limited Supporter:** A contributor who donates \$100,000 or more, will have their name or that of someone of their choosing placed on a plaque at the entrance of the Society's headquarters building and on a plaque in a public space in the headquarters building.
- **National Limited Supporter:** A contributor who donates between \$10,000 and \$99,999 will have their name or the name of someone of their choosing placed at the entrance to a room in the Society's headquarters building and on a plaque in a public space in the headquarters building.
- **Royal Blue Supporter:** A contributor who donates between \$5,000 and \$9,999 will have their name placed on a plaque in a public space in the Society's headquarters building.

- **Cincinnati Supporter:** A contributor who donates between \$1,000 and \$4999 will have their name placed on a plaque in a public space in the Society's headquarters building.
- **Sentinel Supporter:** The contributor who donates between \$300 and \$999.00 will have their name placed on a plaque in a public space in the Society's headquarters building.

4.0 RECEPTION AND PROCESSING OF DONATIONS

Cash donations may be sent to the Society, along with the standard donation form, or with a letter detailing the desired disposition of a cash donation. Any donations received without disposition instructions will be deposited into the Society's General Fund.

Contributors who wish to make donations in the form of securities must contact the Treasurer for specific instructions regarding the procedures for making their donation. Generally, contributors will deal directly with the Society's broker to make their donation. Once the donation is made, it is the responsibility of the contributor to provide the Society with a receipt showing that a transfer of securities to the Society has been completed.

This policy specifies a variety of different plaques that are to be displayed in the Society's headquarters building. Other than what is actually stated in this policy, the form of those plaques is outside the scope of this policy.

The Treasurer shall produce a quarterly report that details the contributions made during each quarterly reporting period. The form of the report is left to the Treasurer.

5.0 EXCEPTIONS

The Executive Committee may make exceptions to this policy to allow for special and unusual circumstances. When exceptions are made, a memo shall be written to the Corporate Secretary for insertion in the minutes of the next regularly scheduled Board of Directors meeting.