



# **POLICY**

## **SUBJECT AREA: DONATIONS**

**Last Updated: July 30, 2018**

**Version 1.3**

**Effective January 1, 2018**

**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"> <li>• Deleted Time Saver donation level.</li> <li>• Replaced section on Short Term Policy Additions with statement on effective date of new policy</li> <li>• Capitol Limited Supporter level set at \$100,000</li> <li>• Reworded the award levels.</li> <li>• Added a section allowing the executive committee to make special variations</li> <li>• Removed language regarding 300 Club possibilities to make it be Building, only, special appeal</li> </ul>
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

## 1.0 INTRODUCTION

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. See the definitions of categories, or levels, of donations for the definition of this exception.

## 2.0 DONATION FUNDS

The Society accepts donations into three different funds. Those funds are:

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.

A donor may specify how any single donation is to be distributed amongst the three funds. The total value of that 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 are 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 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.

All contributions will be credited to the General Fund unless the contributor specifies that they wish their contribution to be distributed amongst any of the Society’s three funds.

***All contributions of \$100.00 or more will be recognized with a letter of acknowledgement and thanks from the Society.*** For contributions that meet the award

levels listed below, contributors will receive a letter of acknowledgement and thanks from the Society that details the awards that they can expect to receive. All letters will list the distribution of the contribution amongst the Society's three 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 and will receive a personal plaque for themselves.
- **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 and will receive a personal plaque for themselves.
- **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 and will receive a personal plaque for themselves.
- **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 and will receive a personal plaque for themselves.
- **Sentinel Supporter:** The contributor who donates between \$300 and \$999.00 and chooses to have their donation distributed amongst the Society's three funds will have their name placed on a plaque in a public space in the Society's headquarters building.
- **300 Club:** The "300 Club" is a special appeal campaign to support the acquisition of, and improvements to, the headquarters and archives building. As such, all contributions to the "300 Club" will be credited to the Building Fund. This is an exception to the general rule regarding the distribution of contributions. The contributor who donates between \$300 and \$999.00 to the "300 Club" will have their name placed on a plaque in a public space in the Society's headquarters building.

### 4.0 DONATION FORMS AND CHANNELS

Cash donations are received through two channels. They are received as donations that are lumped in with membership payments and they are received as donations that are processed through the Company Store.

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.

1. When cash donations are received through membership, those donations are entered on a spread sheet by the membership processor in a manner that causes the donations to be disbursed to any or all of the three funds as directed by the contributor. The total size of a donation received along with a membership renewal is used to determine the award level regardless of how the donation is disbursed. It should be noted that funds received through this channel do not trigger the creation of a sales receipt. Rather, they are entered into the Society's accounting system as direct deposits.
2. All other cash donations are processed by the Company Store. These donations are generally in one or the other of two forms:
  - a. A cash donation that is included as a portion of a regular Company Store order,
  - b. A cash donation that is the result of a direct appeal and is received along with a Society donation form.

As these donations are received through the Company Store, they trigger the creation of a sales receipt.

For all contributions received through the Company Store, the store operators will record the "sale" of donations to each of the individual funds. The store will not record the sale of a donation at any of the specific categories or levels as it is not possible to distribute the proceeds of the sale of an individual item to different accounts without performing operations that are more complex than necessary. That is, while a contribution of \$1,000.00 that is received with direction to distribute the funds amongst any of the Society's Donation Funds will be treated as a "Cincinnatian" contribution; it will not show as such in the accounting system.

Regardless of whether a contribution is received through the membership channel or through the Company Store channel, it is the responsibility of the Treasurer to indicate the category or level of donation and actual amount of donation to whomever is responsible for creating the draft recognition letter for that donation.

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

## **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.