



As approved by the NRHS Board on May 18, 2019

**Meeting Minutes
NRHS Board of Directors
Hilton Birmingham UAB Hotel
Saturday, March 23, 2019**

Pursuant of notice, the Board of Directors of the National Railway Historical Society, Inc. met at the Hilton Birmingham UAB Hotel in Birmingham, AL on Saturday, March 23, 2019.

Call to Order - Open Session

President Al Weber called the meeting to order at 1:06PM CDT.

Roll Call

President Al Weber welcomed the Directors to this meeting. The Board attendance for this meeting was as follows:

Name	Office	Present	Absent
Al Weber	President (2018 - 2022)	A	
Joseph C. Maloney, Jr.	Vice President (2016 - 2020)	A	
Roberta Ballard	Global Director (2020 - 2022)	A	
E. Steven Barry	Global Director (2018 - 2022)	A	
Walter Zullig	Global Director (2016 - 2020)	A	
Robert J. Ernst	Global Director (2016 - 2020)	A	
Marlin Taylor	Global Director (2016 - 2020)	P	
R. Douglas Scott	District 1 Director (2018 - 2022)	A	
Tony White	District 1 Director (2016 - 2020)	A	
Harold Shaak	District 2 Director (2018 - 2022)	A	
Charles Webb	District 2 Director (2016 - 2020)	P	
Jon Baake	District 3 Director (2018 - 2022)	A	
Ralph Robert Bitzer	District 3 Director (2016 - 2020)	A	
David Foster	District 4 Director (2018 - 2022)	P	
Ned Harris	District 4 Director (2016 - 2020)	A	
Jim Pahr	District 5 Director (2018 - 2022)	A	
Wesley F. Ross	District 5 Director (2016 - 2020)		E
John Goodman	District 6 Director (2018 - 2022)	A	
Vacant	District 6 Director (2016 - 2020)		

Kenneth Eddy	District 7 Director (2018 - 2022)	A	
Skip Waters	District 7 Director (2016 - 2020)	A	
Jeffrey S. Smith	District A Director (2018 - 2022)		E
Wes Weis	District A Director (2016 - 2020)	P	
Jack Hilborn	District B Director (2018 - 2022)	A	
Ricky Durrant	District B Director (2016 - 2020)		E

A= In Attendance P = Attended via phone E=Excused Absence U=Unexcused Absence

There was a quorum present in order to conduct business.

General Counsel John Fiorilla, Asst. General Counsel Scott Andes, Asst. Treasurer Carol Ann Cornelius and Comptroller Bob Heavenrich attended in person.

There was one candidate for the open District 4 seat which expires in 2020. Tidewater Chapter member Edward “Ned” Harris submitted a nomination form and biography prior to the meeting. He met all of the requirements to hold the position.

Motion: Joe Maloney motioned and Doug Scott seconded to accept the nomination of Ned Harris to the open District 4 Board seat and appoint him to the seat. Passed by voice vote.

Motion: Bob Ernst motioned and Joe Maloney seconded to move District 6 Director Duane Durr to the status of Director Emeritus. Passed by voice vote.

The seat held by Duane Durr is now vacant.

Approval of Fall 2018 Meeting Minutes

The minutes of the 2018 Fall Board of Directors’ Meeting were approved via email and posted to the admin site on December 6, 2018.

Reports

In a change to the meeting structure, most reports were presented at the Advisory Council Meeting. For discussion of the reports see the Advisory Council Meeting Minutes. The following reports were given and are being placed in the minutes of the Board as an appendix.

Vice President - Joseph Maloney, Jr. – Appendix B

Secretary – Bob Ernst – Appendix C

RailCamp – Becky Gerstung – Appendix E

Heritage Grants – Bob Kornreich – Appendix F

Membership Records – Hugh Harris – Appendix G

Publications - Reports were submitted by Jeff Smith, Editor *NRHS Bulletin* (Appendix H), Charles Williams, Editor *NRHS News* (Appendix I) and Val Hoski, Editor *NRHS Telegraph* (Appendix J).

Treasurer – Bob Bitzer

Treasurer Bob Bitzer reviewed the financial reports (Appendix D) which were distributed prior to the meeting. The NRHS continues to be in a sound financial state. Bob is rotating T-Bill accounts and keeping enough cash on hand to cover expenses.

Comptroller Bob Heavenrich reported the 990 reports for 2017 have been filed on time. A six-month extension for filing the 990 reports for 2018 has been requested. This is normal procedure for the Society.

Motion: Walter Zullig motioned and Jack Hilborn seconded to release the NRHS Financial Reports as submitted. Passed by voice vote.

Electoral Committee - John Fiorilla

John reviewed the positions which are open for the upcoming 2020 election. He urged the members in attendance to consider running for the open positions. He also noted that the election procedures could change for the 2022 election if the bylaws are amended.

Advisory Council – Del Kittendorf

The Advisory Council met earlier in the day and Del reported the Advisory Council passed a resolution for the Board to consider that within the bylaws changes Chapter membership shall be predicated on membership in the National Society.

General Counsel- John Fiorilla

John reported that he has received a bequest from the estate of Mr. Brandt. Mr. Brandt passed away in 2017 and the NRHS may receive approximately \$100,000 from his estate. John will report to the Board when a final determination is made.

NRHS Fund – Wes Weiss

Wes reported the NRHS Fund is in sound financial shape. The Fund Trustees are working on a new investment policy. It will be approved by the Trustees at the next NRHS Fund Meeting. The NRHS Fund is holding 75% of its investments in mutual fund accounts. The new investment policy will outline the investment strategy and preferred holdings of the investments.

Conventions – John Goodman

John gave an extensive report during the Advisory Council meeting.

The 2018 Convention held in Cumberland is ready to be finalized. This will take place once the 2018 audit is completed for the NRHS.

Conferences - Bob Bitzer

Bob Bitzer thanked Mike Walker and the members of the Heart of Dixie Chapter, NRHS for hosting the NRHS this weekend. A review of each of the Conferences was given at the Advisory Council Meeting.

2019 Fall Conference – November 8-10, 2019, Dallas, TX

Director Skip Waters is still planning the events for the Conference. A hotel registration form was distributed to the attendees.

2020 Spring Conference – March 26-29, 2020, West Chester, OH

The Cincinnati Chapter, NRHS is celebrating its 50th Anniversary and is inviting the NRHS. A full report on the hotel and events was given at the Advisory Council Meeting.

2020 Fall Conference – October 15-18, 2020, Johnson City, TN

The George L. Carter Chapter is proposing a Conference in Johnson City, TN. The host hotel will be the East Tennessee Carnegie Hotel.

Motion: Bob Ernst motioned and Steve Barry seconded to accept the proposal. Passed by voice vote.

2021 Spring Conference – April 8-12, 2021, Raleigh, NC

A bid for a Conference in Raleigh, NC was proposed by Victor Varney, National Representative, East Carolina Chapter.

Motion: Bob Ernst motioned and Walter Zullig seconded to accept the proposal. Passed by voice vote.

Unfinished Business

Actions of the Executive Committee

The Committee approved on February 27, 2019 an expenditure by Jeff Smith for \$700.00 to purchase supplies to preserve copies of the *NRHS Bulletin*.

Bylaws Change

A working copy of the proposed bylaws changes was posted to the NRHS admin site prior to the meeting. The Board discussed the changes.

John Fiorilla reviewed and explained each of the changes to the Board. The changes focus on the size of the Board and the terms of Directors and Officers. It is being proposed that the Board be changed to nine, the President and Vice President with seven Directors. The method of apportionment for the Districts is also being changed to make process more efficient.

Joe Maloney explained the changes were created from lessons learned during the last four election cycles. The inability to fill all the Board seats in every election is a good reason for a smaller Board. Joe continued that reapportionment of the districts is due in 2021. The change in apportionment will help this process.

Skip Waters expressed his concerns that a Board of nine was too small. A Board of 15 members would be a more appropriate number.

Bob Ernst noted that the Board has more of an oversight function. The various committees operate the Society and its programs. The need for a larger Board is no longer necessary.

Bob Ernst raised the concern of the Advisory Council. The Advisory Council is asking the Bylaws Committee to consider whether Chapter membership should be predicated on National membership. It is the consensus of the Advisory Council to allow non-NRHS memberships in a chapter and to amend the Bylaws to reflect this change.

There was discussion on the pros and cons of predicating Chapter membership on National membership. The consensus of the Board was to leave the wording in the Bylaws as they are currently written.

The Bylaws Committee is asking for all comments and suggestions to be sent to John Fiorilla.

The Board asked the Bylaws Committee to create bullet point options on the changes to be voted upon.

Victor Varney urged the Board to strengthen the Affiliate Group category. It can be a very useful way to promote the NRHS.

New Business**Gift Acceptance Policy**

Joe Maloney distributed a copy of the proposed policy prior to the meeting. (Appendix J) He explained the changes were based on his experience dealing with the Library move from NLR and the various items that were “donated” to the NRHS. It clarifies the types of items the NRHS should accept as donations.

Motion: Joe Maloney motioned and John Goodman seconded to accept the Gift Acceptance policy as proposed. Passed by voice vote.

Announcements and Discussion

General announcements were made.

Adjournment

Motion: Doug Scott motioned to adjourn.

The Board meeting adjourned at 3:45PM. CDT

Respectfully Submitted:

Robert Ernst
NRHS Secretary

**Appendix A
Members and Guests in attendance**

National Representatives X – In Person P – Via phone

Chapter	Last Name	First Name	Present
Atlanta Chapter	Kittendorf	Delmar	X
Arkansas-Boston Mountains Chapter	Gattis	Jim	P
Baltimore Chapter	Shulby	Richard	X
Blue Ridge Chapter	Leslie	Robert	X
Cape Cod Chapter	Scott	Ellen	X
Central Coast Chapter	Graham	Edward	X
Cincinnati Chapter	Andes	Scott	X
Cumberland Valley Chapter	James	Susan	P
East Carolina Chapter	Varney	R. Victor	X
George L. Carter	Pahris	Charlotte	X
Heart Of Dixie Chapter	Owen	Martin	X
Collis P. Huntington Chapter	Hensley	Timothy	P
Inland Empire Chapter	Simanton	John	X
Lancaster Chapter	Shaak	Helen	X
Niagara Frontier Chapter	Gerstung	Rebecca	X
North Florida Chapter	Fiorilla	Marjorie	X
North Texas Chapter	Hoski	Valli	P

Old Smoky Chapter	Freeman	Robert	X
Pacific Northwest Chapter	Baker	Al	P
Piedmont Carolinas Chapter	Shulby	Richard	X
Roanoke Chapter	Jensen	Carl	X
Saint Louis Chapter	Gawedzinski	Ron	X
Tidewater Chapter	Harris	Ned	X
Twin Forks Chapter	Boward	Adam	P
Winchester Chapter	Robinson	Berton	X

Members and Guests

Bob Heavenrich
Larry Dyer
Dawn Holmberg
Dan Meyer
Carol Ann Cornelius
Diane Heavenrich
Ray Leader
John Fiorilla
David Banewicz
Patti Webb
Bob Kornreich

NRHS VP Notes

Spring 2019 BOD Meeting

(Status as of 12 March 2019)

- **Membership Awards**
 - Passed Membership Awards Office and Assets to Doug Scott 11 January 2019

- **Library Move**
 - Selection committee determined that Harrisburg Chapter, NRHS was best recipient for matched pair of PRR Juniata Shops Builder's Plates from NYP&N #6. Foul weather has hampered delivery.
 - One John Bowman photo turned up, depicting M&P RR #6 with NRHS excursion train under the North Avenue Viaduct in Baltimore, MD, something in the late 1930s. Will be passed along to Mitch Dakelman.

- **Bylaws Drafts**
 - Participated on Bylaws Committee to develop proposed changes needed to current Bylaws.

- **Membership Survey**
 - Officers approved the idea to survey a sampling of NRHS membership, both current and former members. Background information has already been posted to the NRHS web page.
 - Jerry Hardwich and Jon Baake have volunteered to develop questionnaire – Need two (2) more recruits.

NRHS Secretary Report – 03/23/19

Bob Ernst

Fall Board Meeting Minutes

The minutes of the 2018 Fall Board of Directors' Meeting were approved via email and posted to the NRHS Admin site on December 6, 2018.

NRHS Bylaws

Participated in the Bylaws change proposal.

NRHS Annual Membership Notice

The notice and proxy for the NRHS Annual Membership Meeting was produced and distributed to the membership.

NRHS Chapter Information Project

To date I have received information from 49 of 131 chapters.

Bob Ernst – NRHS Secretary

3/8/2019

**To the Officers and Board of Directors of the National Railway Historical Society
To the Officers and Board of Trustees of the National Railway Historical Society Fund**

The Society had sound financial health in 2018 as can be seen from the data supplied in the attached reports. We have provided a total of six spreadsheets for the accounting period ending on December 31, 2018 for both the NRHS and the NRHS Fund. There is also a NRHS Onboard Membership Report ending on October 2018. This report coincides with the cut-off date of October 15th for those members who paid dues for 2018. These reports were compiled by our Comptroller, Robert Heavenrich, from data contained in our QuickBooks Accounting and NEON Membership Systems. Most of the following data is unaudited. Included are:

- Preliminary Unaudited Report NRHS Income/Expense
- Preliminary Unaudited Report NRHS Fund Income/Expense
- Preliminary Report NRHS Balance Sheet
- Preliminary Report NRHS Fund Balance Sheet
- Preliminary Report: NRHS Convention Financial Results 2014-2018
- Preliminary Unaudited Report NRHS Fund Investments as of 12/31/18
- NRHS Membership On-Board Report October 2018

As a reminder we ask all officers and directors to please bring copies of these reports with you to the meetings.

The 2017 audits and IRS form 990's have been completed for both the NRHS and the NRHS Fund. The 990's have been filed with the IRS. The external auditor's reports from CPA firm RKL have been completed for both the Society and the Fund. There were no reported problems or issues in the audits which the NRHS or the Fund needed to address. The audit reports and form 990's are available for inspection in the Administrative section of our website at www.nrhs.com.

The outside independent 2018 audits for the NRHS and the NRHS Fund have started. Our auditors will again be RKL. We are starting the process of providing data to them.

Membership renewals have been strong for 2019. Our dues collection has reached 80% of the budget. We are in the process of sending out the dues renewal reminder letters to those members who have not yet renewed in hopes that they too will rejoin for 2019.

Questions regarding any of the financial reports for the NRHS should be directed to the NRHS Treasurer or the NRHS Comptroller. Questions regarding the NRHS Fund's financial reports should be directed to the NRHS Fund President or Comptroller.

Thank you for your continued support of the National Railway Historical Society. You make the difference.

Bob Bitzer

NRHS Treasurer

Preliminary Unaudited Report: NRHS Income/Expense

	2017	2018			
	Actual Audited	Actual Unaudited	Budget	\$ Over Budget Unaudited	% of Budget Unaudited
Income					
4100 · Current Year Dues	221,030	221,680	210,000	11,680	6%
4110 · Prior Year(s)' Dues	350	150	0		
4120 · Affiliate Dues	250	250	0		
4200 · Interest and Dividends	262	829	1,000	-171	-17%
4300 · Sales	3,648	4,673	3,000	1,673	56%
4400 · Convention	114,570	101,955	100,000	1,955	2%
4450 · RailCamp	45,440	47,140	45,500	1,640	4%
4600 · Other Events	418	0	0		
4800 · Unrestricted Donations	221,929	77,437	25,500	51,937	204%
4900 · Restricted Donations					
4910 · Library	0	210			
4911 · Film/Video Library	95	460			
4920 · Grants	3,504	7,546			
4930 · Railcamp	1,727	6,553			
4990 · Other Restricted Donations	3,017	0			
Total 4900 · Restricted Donations	8,343	14,769	20,000	-5,231	-26%
4999 · Other Income	0	458	0	458	
Total Income	616,239	469,340	405,000	64,340	16%
Expense					
5100 · Convention	93,520	88,861	90,000	-1,139	-1%
5200 · NRHS Bulletin	63,793	91,625	90,000	1,625	2%
5300 · NRHS News	20,409	20,173	22,000	-1,827	-8%
5350 · Misc. Publication	1,200	1,209	3,000	-1,791	-60%
5400 · Membership Records	19,538	14,981	20,000	-5,019	-25%
5600 · Meetings & Travel	19,153	7,883	13,000	-5,117	-39%
5800 · Admin. Office	3,713	5,935	5,000	935	19%
5950 · Financial Fees	3,199	1,366	5,000	-3,634	-73%
6000 · Corporate	3,469	8,509	7,600	909	12%
6050 · Accounting	20,968	23,343	25,000	-1,657	-7%
6060 · Legal Fees	15,989	17,023	14,000	3,023	22%
6090 · Insurance	7,590	5,346	8,000	-2,654	-33%
6150 · Advertising	0	660	1,000	-340	-34%
6300 · Fund Raising	1,125	1,095	1,200	-105	-9%
6400 · Sales	2,379	4,422	2,500	1,922	77%
6500 · Services	7,173	9,846	8,000	1,846	23%
6600 · Library Operations	42	10,833	0	10,833	
6650 · Rent	14,255	8,917	15,000	-6,083	-41%
6700 · RailCamp	53,609	60,150	53,000	7,150	13%
6800 · IT Systems	0	2,028	3,700	-1,672	-45%
6900 · IT Systems Development	0	192	3,000	-2,808	-94%
9100 · Grants	20,000	21,000	15,000	6,000	40%
9200 · Donations	410,000	12,534	0	12,534	
9300 · Library Acquisitions	18,514	1,906	0	1,906	
Total Expense	799,636	419,837	405,000	14,837	4%
Net Income	-183,397	49,502	0	49,502	

Preliminary Report: NRHS Convention Financial Results

	Springdale	Rutland	Denver	Nashville	Cumberland
	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited
Income					
4400 Convention Income	166,415	274,495	116,556	114,570	101,955
Expenses					
5110 · Printing	15,215	10,060	939	660	578
5120 · Distribution	1,012	5,668	0	0	0
5125 · Association Management Support	17,434	15,834	0	0	0
5130 · Convention Staff Travel	2,899	2,496	7,335	7,151	8,399
5155 · Financial Fees	7,410	10,848	5,590	5,545	4,792
5160 · Transportation	74,499	191,000	60,730	57,006	54,479
5170 · Insurance	15,346	23,907	10,867	5,175	5,059
5180 · Supplies / Meals	31,403	22,434	19,785	11,806	11,354
5190 · Other Convention Expense	2,179	2,450	3,051	5,148	1,208
Total Expenses *	167,397	284,696	108,296	92,490	85,869
Net Income	-982	-10,201	8,657	22,080	16,086
Percent Net Income	-0.6%	-3.7%	7.4%	19.3%	15.8%

* Excludes indirect expenses including legal expenses, accounting fees, publicity expenses etc.

Preliminary Report NRHS Balance Sheet

	Dec 31, 18 Unaudited	Dec 31, 17 Audited	\$ Change Audited
ASSETS			
1000 · Cash Accounts	298,959	181,091	117,868
1183 · Three Month Tbills	25,000	0	25,000
1200 · Inventory	15,088	11,799	3,289
1300 · Prepaid Expenses	1,609	2,259	-650
1462 · NRHS Fund Receivable	0	40,093	-40,093
1499 · Undeposited Funds	0	31,419	-31,419
1600 · Historical Items	14,940	14,940	0
1900 · Info Systems	3,233	0	3,233
TOTAL ASSETS	358,829	281,601	77,228
LIABILITIES & EQUITY			
Liabilities			
1400 · Accounts Payable	6,051	8,782	-2,732
2210 · Prepaid Dues	124,331	90,609	33,722
2300 · Unpublished Bulletins	30,606	25,871	4,735
2950 · Litigation Settlement	64,000	72,000	-8,000
Total Liabilities	224,987	197,262	27,725
Equity			
3100 · Unrestricted Assets	119,662	83,026	36,636
3200 · Temporarily Restricted Assets			
3211 · Film & Video Library	460	95	365
3220 · Grants	5,281	911	4,370
3240 · RailCamp	8,439	273	8,166
3250 · Educational Program	0	34	-34
Total 3200 · Temporarily Restricted Assets	14,180	1,313	12,867
TOTAL LIABILITIES & EQUITY	358,829	281,601	77,228

Preliminary Report NRHS Fund Income and Expense

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited	TOTAL Unaudited
Income						
4200 · Interest and Dividends	5	2	3	1,158	12,513	13,681
4530 · Unrealized Gains and Losses	0	0	0	2,523	-26,905	-24,382
4560 · Realized Capital Gains	0	0	0	0	-691	-691
4800 · Unrestricted Donations	7,620	9,869	2,887	67,102	26,614	114,092
4900 · Restricted Donations						
4910 · Library	0	55	125	50	0	230
4911 · Film and Video Library	20,000	0	5,000	9,110	8,107	42,217
4920 · Grants to by issued by NRHS	0	1,810	2,676	18,429	96,129	119,043
4940 · RailCamp	0	208	2,309	48,595	1,548	52,660
4950 · Educational Program	0	0	200	27,300	1,000	28,500
4990 · Other Restricted Donations	200	0	1,200	286,250	0	287,650
Total 4900 · Restricted Donations	20,200	2,073	11,510	389,734	106,784	530,300
Total Income	27,825	11,944	14,400	460,517	118,315	633,001
Expense						
5600 · Travel and Meetings	0	0	0	1,887	146	2,033
5700 · Office Expenses	0	73	0	348	388	809
5950 · Financial Fees	346	306	744	1,215	1,025	3,636
5990 · Interest Expense	6	0	0	0	0	6
6050 · Accounting Fees	0	7,570	9,825	9,933	12,421	39,749
6060 · Legal Fees	7,474	293	4,931	3,855	2,386	18,939
6300 · Fundraising Fees	31,846	0	1,295	0	0	33,140
6500 · Restricted Funds Usage	8,056	0	2,310	9,739	43,401	63,506
6800 · IT	0	0	0	0	330	330
8000 · Depreciation FFE	850	2,292	2,292	1,442	0	6,876
Total Expense	48,577	10,534	21,396	28,419	60,098	169,025
Net Income	-20,752	1,410	-6,997	432,097	58,217	463,976

Preliminary NRHS Fund Balance Sheet

	Dec 31, 18 Unaudited	Dec 31, 17 Audited	\$ Change Unaudited	% Change Unaudited
ASSETS				
1000 · Cash Accounts	61,818	164,600	-102,782	-62%
1500 · Investment Securities	404,948	288,837	116,111	40%
TOTAL ASSETS	466,766	453,437	13,329	3%
LIABILITIES & EQUITY				
Liabilities				
2100 · Bills paid by NRHS for Fund	0	40,093	-40,093	-100%
2110 · Bills Payable directly by Fund	120	473	-353	-75%
2400 · Restricted Funds Owed NRHS	0	7,313	-7,313	-100%
Total Liabilities	120	47,878	-47,758	-100%
Equity				
3000 · Net Assets				
3100 · Unrestricted Net Assets	6,535	17,030	-10,496	-161%
3200 · Temp. Restricted Net Assets				
3211 · Film & Video Library	21,981	13,749	8,232	60%
3220 · Grants	92,914	11,794	81,120	688%
3240 · RailCamp	31,772	49,285	-17,513	-36%
3250 · RailCamp Scholarships	27,244	27,500	-256	-1%
Total 3200 · Temp. Restricted Net Assets	173,911	102,329	71,583	70%
3300 · Perm. Restricted Net Assets	286,200	286,200	0	0%
TOTAL LIABILITIES & EQUITY	466,766	453,437	13,329	3%

Appendix D

Preliminary Unaudited Report:: NRHS Fund Investments as of 12/31/18

Name	Quote	Shares	Market Value	Book Value	Gain/Loss	Gain/Loss Percent	Dividend	Dividend Yield (%)	Amount Invested (%)
Mutual Funds									
DoubleLine Total Return Bond Fund Class N	10.41	1,455	15,148	15,444	-295	-1.9%		3.48	3.49
Energy Select Sector SPDR Fund	57.35	150	8,603	11,498	-2,895	-25.2%	0.53	3.39	2.69
Fidelity Select Retailing Portfolio	13.64	800.986	10,925	10,676	250	2.3%		0.17	2.44
FidelityÂ® International Capital Appreciation Fund	17.83	517.71	9,231	10,860	-1,629	-15.0%		0.46	2.48
FidelityÂ® Small Cap Growth Fund	21.2	472.028	10,007	11,794	-1,787	-15.2%		0.00	2.45
Goldman Sachs High Yield Municipal Fund Class C	9.62	2,161	20,792	20,647	146	0.7%		3.07	4.68
Ishares S&P PFD EFT	34.23	110	3,765	4,154	-389	-9.4%	0.26	6.18	0.97
Templeton Global Bond Fund Class C	11.33	1,742	19,742	20,736	-994	-4.8%		6.10	4.58
Vanguard Consumer Staples Index Fund ETF Shares	131.17	100	13,117	14,604	-1,487	-10.2%	1.04	2.75	3.42
Vanguard S&P 500 ETF	229.81	144	33,093	35,126	-2,033	-5.8%	1.29	2.04	8.22
Vanguard Telecommunication Services Index Fund ETF Shares	74.07	110	8,148	10,027	-1,879	-18.7%	0.25	2.66	2.35
Vanguard Value Index Fund Investor Shares	38.18	262.804	10,034	10,879	-845	-7.8%		2.59	2.48
Total Mutual Funds			162,605	176,442	-13,838	-7.8%			40.25
Stocks									
AT&T Inc	28.54	725	20,692	26,104	-5,412	-20.7%	0.51	6.91	6.11
Blackstone Group LP	29.81	244	7,274	7,400	-127	-1.7%	0.64	8.05	1.73
BP PLC	37.92	360	13,651	15,131	-1,480	-9.8%	0.62	6.37	3.54
Enterprise Products Partners LP	24.59	288	7,082	7,606	-524	-6.9%	0.43	6.86	1.78
Exxon Mobil Corp	68.19	131	8,933	10,083	-1,150	-11.4%	0.82	4.71	2.36
Ford Motor Co	7.65	1,325	10,136	16,549	-6,413	-38.8%	0.15	7.59	3.87
Merck & Co Inc	76.41	470	35,913	30,120	5,792	19.2%	0.55	2.91	7.05
PPL Corp	28.33	1,000	28,330	28,957	-627	-2.2%	0.41	5.83	6.77
Public Service Enterprise Group Inc	52.05	250	13,013	13,194	-181	-1.4%	0.45	3.54	3.09
Regions Financial Corp	13.38	500	6,690	9,330	-2,640	-28.3%	0.14	4.10	2.18
South Jersey Industries Inc	27.8	300	8,340	9,369	-1,029	-11.0%	0.29	4.28	2.19
Southern Co	43.92	500	21,960	22,735	-775	-3.4%	0.60	5.49	5.32
Union Pacific Corp	138.23	100	13,823	13,410	413	3.1%	0.80	2.32	3.14
Ventas Inc	58.59	200	11,718	11,967	-249	-2.1%	0.79	5.57	2.80
Verizon Communications Inc	56.22	619	34,800	33,469	1,331	4.0%	0.60	4.30	7.83
Total Stocks			242,354	255,425	-13,071	-5.1%			59.75
Totals:			404,959	431,867	-26,909	-6.2%			100.00

2019 RailCamp – March 13, 2019

All partners and vendors have committed for 2019. The Strasburg Rail Road had a conflict with our original dates. We moved the date one week later. Even though it will run over July 4th, all applicants were notified and are still available to attend. Dawn posted the new date on the web site, Charles put the information on facebook and Val included the dates in the TELEGRAPH. East Director Tony White had to contact all the other partners and make certain the University of Delaware could house the campers. He also had to confirm our volunteer counselors were available.

As of this date we have 23 applicants for East and only five for Northwest. Northwest usually fills up slower than East, but this year is particularly slow. Of the five, three are repeat campers from East. We have had contact from some other repeat campers and are awaiting their applications. Northwest Director John Cox has indicated he will go with as few as six rather than cancel.

Expenses are down this year due to the fact that we have enough counselors at each camp to avoid sending people across the country.

There are also fewer sponsors this year. We have eight of which four do not have their own candidates.

Looking ahead to 2020 we will definitely do more advertising. I had anticipated a "20 Years" article in January TRAINS, but Jim Wrinn did not respond. Brochures are available to any chapter that has their own museum or are affiliated with a museum, anyone involved with trains shows or anyone belonging to a specific railroad historical society that can get information in those newsletters. We would appreciate your help.

The National Railway Historical Society (NRHS) has announced nine recipients of its annual Heritage Grants Program. The 2019 heritage grant awards total \$48,000. The recipients are not for profit organizations, including historical societies, museums, and a NRHS Chapter.

This year's grants were awarded to the following recipients:

\$8,000 to the **Oregon Rail Heritage Foundation** in Portland, Oregon towards the refurbishment and installation at its Rail Heritage Center of a 102' continuous turntable, the last remaining historic element of the former Southern Pacific Brooklyn roundhouse. It will be one of only a handful of powered operating turntables accessible to the public in the West.

\$8,000 to the **Roanoke Chapter, NRHS** in Roanoke, VA to replace window gaskets and related parts of former Norfolk & Western Railway "Jim Crow" coach #512, built in 1949 by Pullman Standard Company, that was originally part of the consist of the railroad's classic streamliner named the Powhatan Arrow.

\$3,500 to the **North Carolina Railway Museum (NCRM)** in New Hall, NC towards the rehabilitation of the Goldston Depot, a small town freight depot constructed around 1884 by the Cape Fear & Yadkin Railway, and later operated by the Southern Railway. The Depot has been relocated to the grounds of the NCRM and will be available for Museum visitors to view the original interior and a display of historic artifacts stored by the Museum.

\$8,000 to the **Pacific Railroad Preservation Society** in Portland, Oregon for work relating to the 15 year FRA boiler inspection and rebuild of former Seattle, Portland & Spokane steam locomotive #700, originally built by Baldwin Locomotive Works in 1938. The locomotive is the railroad's last surviving Northern E-1 class. The NRHS grant is specifically for the rebuild of two air pumps used in the locomotive braking system.

\$2,000 to the **New England Steam Corporation** in Winterport ME toward the replacement of the tender cistern and coal bunker of Maine Central passenger steam locomotive Pacific class #470, built by the American Locomotive Company in 1924. The locomotive was the last steam locomotive to operate on the Maine Central. The locomotive tender restoration is part of the overall project to restore #470 to operating condition.

\$5,000 to the **Lake Superior Railroad Museum** in Duluth, MN for the cosmetic restoration of Erie Mining Company S-12 switcher No. 403 (later renumbered 7243) the last diesel to leave the Baldwin Locomotive Works factory in Eddystone, PA in 1956 when the factory closed. The locomotive worked at the Erie Mining plant in Hoyt Lakes, MN from 1956 to 1992 when it was donated to the Museum.

\$8,000 to the **Nashville Steam Preservation Society** in Nashville TN towards the rebuild of the Worthington SA Hot Water Pump (the Pump), a part of the feedwater system of Nashville, Chattanooga, & St. Louis steam locomotive No 576, a 4-8-4 J-3 class engine built by the American Locomotive Company in 1942. The restoration of the Pump is part of the restoration of the locomotive to operating condition.

\$2,500 to the **Nevada County Narrow Gauge Railroad Museum** in Nevada City, CA to restore gondola car #233, built in 1917 and used by the Southern Pacific narrow gauge line (“SP narrow gauge”) until 1955. It is the only remaining SP narrow gauge gondola car that has all mechanical parts preserved and can be fully restored.

\$3,000 to the **Placerville & Sacramento Valley Railroad** in Folsom, CA for brake equipment parts for Southern Pacific “suburban” coach # 2110 built by the Pullman Company in 1924 and used in regular commuter service between San Francisco and San Jose, CA. It is a passenger car design that dominated northern California commuter trains for decades. The NRHS grant will enable the car to return to operating condition after cosmetic repairs.



**MEMBERSHIP REPORT
FOR
NATIONAL CONFERENCE, BIRMINGHAM, ALABAMA
MARCH 16TH, 2019**

NRHS Membership Records

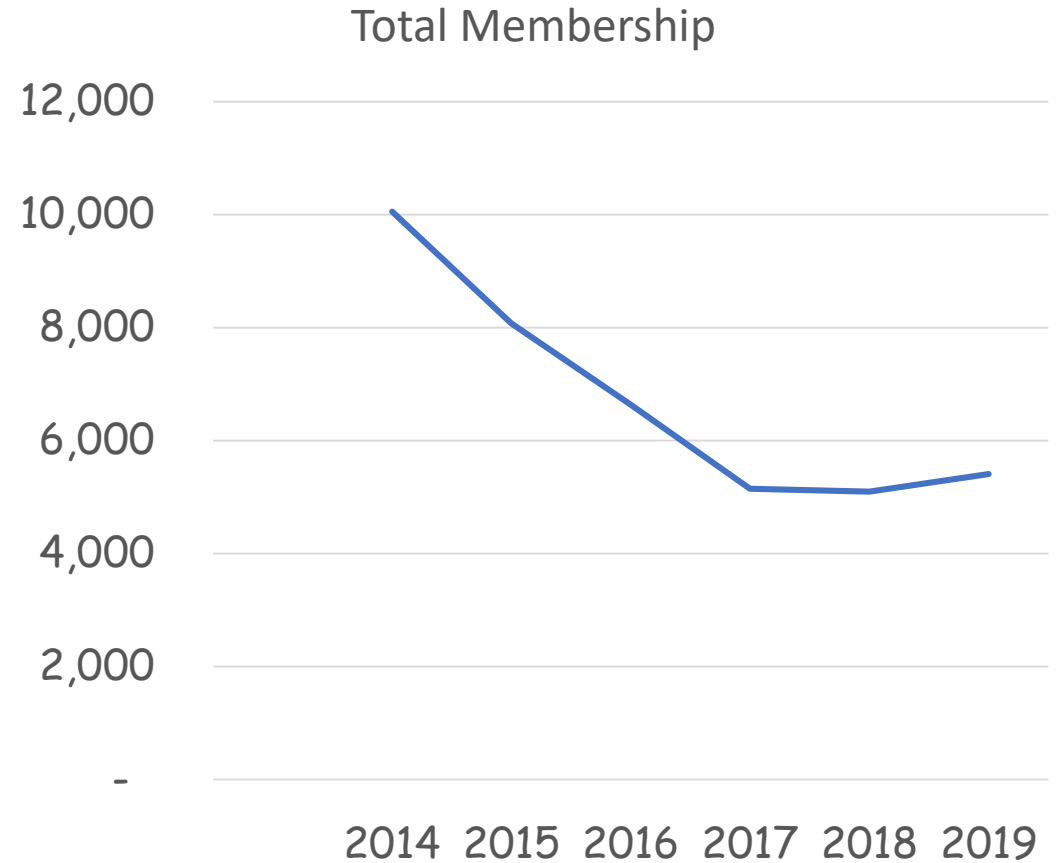
- The society's Membership records are maintained by a group of volunteers, mainly spread around the mid-west, who jointly put in thousands of hours of volunteer work every year. The work is mostly done and coordinated over the internet.
- Let's take a look at how we got to the present situation.
- During most of it's history the Society had volunteers handling record keeping and maintaining Membership Records.
- As the Society grew that became more and more time consuming and the record keeping became tougher.
- Records were kept in several formats over the years, finally were in a program called FilePro - and were in a terrible mess.
- And the accounting wasn't much better since the Society was still trying to keep both National and Chapter records and funding together.

- In 2007 the Society contracted with Fernley & Fernley to manage the membership files of the Society. This included maintaining the Membership database and handling renewals. The Fernley & Fernley group were used to working with non-profit organizations similar to us but doing almost all of the back office management of the organization for a much higher fee than the NRHS was willing to pay. They were not familiar with organizations like ours that used volunteers to do the back office work. The NRHS over time moved more and more of our previous volunteer back office functions to Fernley for a larger and larger fee. After awhile the fees were not in-line with what we could afford to pay. The NRHS parted ways with Fernley in 2015 and went back to a membership model that we could afford - Bringing the volunteers back into the main back office operation of the Society.

- In 2015, to go back to a volunteer run system to handle all Society functions, a new crew of volunteers was recruited and a new database system was set-up. Owing to the inexperience of the volunteers the first system selected - Amilia - was not successful and in 2016 we switched to a new company, NeonCRM, based in Chicago.
- They have been very supportive and are our current supplier.
- With the separation from F&F ALL functions had to be re-started using volunteers and you now have many dedicated teams working with Chapters and with other organizations to make meetings like this one happen.
- Current Membership is 5,409, up about 300 from the end of 2018.
- Current Members renewed for 2019 is 4,319.
- That leaves 1,090 Members not yet renewed for 2019. We all need to help to encourage them to renew!

Membership Numbers

Year	Total Membership
2014	10,054
2015	8,077
2016	6,636
2017	5,144
2018	5,093



NRHS Bulletin Update

2018 saw some interesting *NRHS Bulletin* issues that have been well received by the membership including articles on the WW&F Railway in Maine, the color photography of O. Winston Link and an entertaining and informative article on Steve Lee and the UP Steam Program that is hitting member mailboxes now.

The *NRHS Bulletin* will be publishing 4 issues in 2019. The first issue of 2019 is in layout and features two articles; one on the Western Maryland and one on short lines in Oregon. We are working with a variety of authors on additional articles which will go into production throughout 2019.

Some of you may have noticed that we have a new volunteer *Bulletin* Staff member named Irene Szabo. For the first time in many years we have an individual dedicated to proofreading our manuscripts and page layouts. We welcome her efforts and hope that it will result in a better quality publication.

Some of you may wonder where the *NRHS Bulletin* gets the articles that appear in the magazine? When I first took on the editor position, 18 years ago, most of the articles that appeared in the *NRHS Bulletin* were from our members. However, many of those authors are no longer with us and the current membership does not appear to be interested in writing articles. I have periodically run appeals to the membership in the *NRHS News*, in fact one ran just a few months ago. However, these rarely get even a single response. Occasionally I receive and publish an article from one of our members but most of the content in the *NRHS Bulletin* is generated by contract writers who are not NRHS members.

I am always looking for articles to run in the *Bulletin*. Articles can range from 2,500 - 10,000 words. Smaller articles need to be accompanied by 15-25 high resolution images (or original slides/prints) and larger articles can accommodate 35-45 images. Given our 8.5x11 format and the layout of the magazine, at least 3 or 4 of the images need to be oriented vertically. **Finally, several recent submissions have had large sections of the article plagiarized from Wikipedia or other sources on the Internet. Any manuscript submitted for publication must be original work of the author.** If you or someone in your Chapter has an idea for an article, please reach out to me at bulletin@nrhs.com.

Jeff Smith
Editor, *NRHS Bulletin*

NRHS News update For NRHS Board March 18, 2019

The *NRHS News* continues to be published on a regular schedule. Thus far this year, there was an electronic (.pdf) issue in February as well as an eight-page print issue in March. Work is underway on the April issue. Since the April issue includes the list of NRHS Heritage Grants (which was announced at the board meeting) – and since the grants committee asked that the list not be released until this meeting – the proofs will not be sent to contributors until after this meeting.

We have been told by Aloha Printing (which produces and mails the print issues) that the new U.S. Postal Service rates will allow an additional two pages to be included in each issue with no increase in postage. That means that the *News* can be increased from eight to 10 pages if and when the space is needed.

Since the deadline (May 10) for the June issue of the *News* falls during the annual NRHS convention, the distribution of that issue will be delayed in order to allow contributors to return to their home to prepare and submit articles and photos. At least one contributor plans to spend a few extra days in the west before returning home.

The next issue of the print edition of the *News*, scheduled for July, has been moved to May. The move will be made in order to address two concerns. First, the annual member discount list will be ready soon, and that will be included in the May issue. That will allow members to have a printed copy of the list (before the start of the summer vacation season) to take with them on their trips. A .pdf version of the discount list, with “live” links to the listed attractions, will be posted on the NRHS website. Also, moving this issue will prevent a conflict between preparing a July issue (deadline of June 5) while finishing the preparation of the June issue.

Please remind your chapter officials to continue to send in articles and photos for inclusion in the *News* or on the Facebook page.

The NRHS Facebook page continues to grow in popularity, growing by 10-15 “likes” per week for a total currently approaching 3,500.

Thanks for time and consideration.

Submitted by
Charles S. Williams

NATIONAL RAILWAY HISTORICAL SOCIETY, INC.

GIFT ACCEPTANCE POLICY

Approved 23 March 2019, Replaces Version dated 7 April 2013.

PURPOSE

The purpose of this policy of the NRHS is to serve the best interests of the NRHS and its donors by providing guidelines for negotiating and accepting various types of gifts. Given the increasing complexity of IRS regulations, the volume of real estate and personal property gifts and state and federal environmental laws, the NRHS recognizes the value in carefully screening proposed gifts.

If the gift has a directed purpose or restrictions, those purposes or restrictions of the gift must fall within the broad historic and preservation purpose of the NRHS. In addition the NRHS Board and staff must be able to assure that the gifts accepted by the NRHS do not place other assets of the NRHS at risk and that they can be easily converted into assets that fall within the NRHS' investment guidelines. The NRHS must also assure that it can administer the terms of the gift in accordance with the donor's wishes.

To facilitate this purpose, the NRHS follows the *Model Standards of Practice for the Charitable Gift Planner* adopted by the National Committee on Planned Giving and the American Council on Gift Annuities. This code of ethics for planned giving practitioners is Appendix A of this policy.

NRHS RESPONSIBILITIES

NRHS staff should disclose to all prospective donors the benefits and liabilities under the control of NRHS that could reasonably be expected to influence the donor's decision to make a gift to the NRHS. Donors will be encouraged to consult with legal counsel and financial advisors in making their decision. In particular, donors should be made aware of:

- the irrevocability of a gift,
- prohibitions on donor restrictions,

- items subject to variability (market value, investment return, and income yield),
- the NRHS' responsibility to provide periodic financial statements on donor funds, and
- the NRHS' responsibility to provide a donor bill of rights to donors.

Staff should maintain a written record of discussions with donors. The role of NRHS staff shall be to inform, guide, and assist a donor in fulfilling his or her philanthropic wishes, but never to pressure or unduly influence a donor's decision, nor offer legal or tax advice no matter how indirectly.

GIFT ACCEPTANCE COMMITTEE

The Executive Committee constitutes the Gift Acceptance Committee, hereafter known as the "Committee." The Committee, at its discretion, may then consult legal counsel, professional expertise, or refer the matter to a collections committee or other board committee for review and advice.

FORM OF GIFTS TO THE NRHS

Gifts Requiring Committee Review

- Tangible personal property that is not readily marketable (i.e. Paintings)
- Real estate
- Closely-held and S corporation stock
- Partnership interests
- Accounts receivable (gifts of loans, notes, mortgages, etc.)
- Gifts of intellectual property, mineral reserves, precious metals, and other types of assets carrying their own challenges
- Gifts whose structure fall outside the ordinary purposes, bylaws, and procedures of the NRHS
- Life insurance policies requiring future premium payments by the NRHS
- Gifts of personal property for use in NRHS offices or programs
- Gifts of photographs, films, books and railroad related historic materials for preservation in the NRHS libraries or for liquidation by NRHS. The decision whether to accession the donation into a

permanent collection is solely at the discretion of the NRHS or its designee. If a donation of tangible artifacts or intellectual property is made, the donor must be made aware that he/she relinquishes any and all rights over subsequent use or sale of said donation. If NRHS chooses to liquidate donated asset, it makes no warranties regarding the amount garnered by that sale.

Gifts Not Requiring Committee Review

- Cash or cash equivalents
- Checks
- Marketable securities
- Life insurance policies except as noted above

See Appendix B for detail on each gift category.

GIFTS DECLINED

The NRHS reserves the right to refuse any gift it believes is not in the best interest of NRHS to accept. In addition, the NRHS will not knowingly accept a charitable gift from a donor who:

- A. Has insufficient income and assets remaining after making a gift to provide for his/her needs such as personal support and healthcare.
- B. Has insufficient income and assets remaining after the gift to provide for his/her heirs for whom he/she is fiscally responsible.
- C. Has an apparent insufficient mental capacity to make a rational decision.
- D. Has insufficient input from competent financial, legal, and/or personal counsel.
- E. Gifts for which the donor cannot provide *provenance*, reproduction rights or copyrights necessary for ownership.

ACKNOWLEDGMENT

Donors shall receive an expression of sincere thanks and gratitude from the NRHS and an acknowledgement of the gift in accordance with federal regulations.

PUBLICITY

No public media exposure with respect to a donor's gift will be generated without the consent of the donor.

RESTRICTIONS

In conformance with Treasury Department regulations governing NRHS, gifts to the NRHS may not be directly or indirectly subjected by a donor to any material restriction or condition that prevents the NRHS from freely and effectively employing the transferred assets or the income derived therefrom, in furtherance of its exempt purposes.

ACTING AS TRUSTEE

By opinion of Legal Counsel, the NRHS may not serve as a trustee. Further, no employee shall serve as a trustee, conservator, executor, or personal representative for one of the NRHS' donors or prospects unless specifically approved by the NRHS Executive Committee. The Board of Directors will be made aware of such trusteeships. All officers shall report such relationships on the annual disclosure form.

INVESTMENT OF GIFTS

The NRHS reserves the right to make any or all investment decisions regarding gifts in accordance with its Investment Policy.

In making a gift to the NRHS, donors give up all rights, title, and interest to the assets contributed. In particular, donors give up the right to choose investments and investment managers, brokers, or to veto investment choices for their gifts.

However, when the size of a fund warrants separate investment consideration, the NRHS will endeavor to accommodate requests from

donors for separate investment of fund assets, or use of a particular investment manager, broker or agent in accordance with the Investment Policy (Alliance Manager policy), and may consult with donors on investment options for such funds.

COSTS OF ACCEPTING AND ADMINISTERING GIFTS

Unless otherwise agreed to in advance, costs associated with the acceptance of a gift such as attorney fees, accounting fees, other professional fees as well as other costs to establish a gift such as appraisal, escrow, evaluation, and environmental assessment fees will be borne by the donor.

The direct costs of administering outright and planned gifts of the NRHS will be borne from the assets of the individual funds, except for those special circumstances as determined by the Gift Acceptance Committee. Custodial, investment, and administrative fees will be paid from the respective funds in accordance with the NRHS' guidelines and fee schedules.

CONFIDENTIALITY

NRHS staff shall maintain strict control over files and information received from or about donors or prospective donors so as to maintain confidentiality of such information.

AUTHORITY TO NEGOTIATE

The NRHS management and administrative officers authorized to accept letters of agreement and amendments thereto and to negotiate and sign charitable giving agreements with prospective donors are:

- President
- Vice- President

When the President and Vice-President is not available

- Secretary
- Treasurer
- General Counsel

Appendix A

Model Standards of Practice for the Charitable Gift Planner

Preamble

The purpose of this statement is to encourage responsible gift planning by urging the adoption of the following Standards of Practice by all individuals who work in the charitable gift planning process, gift planning officers, fund raising consultants, attorneys, accountants, financial planners, life insurance agents and other financial services professionals (collectively referred to hereafter as "Gift Planners"), and by the institutions that these persons represent.

This statement recognizes that the solicitation, planning, and administration of a charitable gift is a complex process involving philanthropic, personal, financial, and tax considerations, and often involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of the charitable institution.

I. Primacy of Philanthropic Motivation

The principal basis for making a charitable gift should be a desire on the part of the donor to support the work of charitable institutions.

II. Explanation of Tax Implications

Congress has provided tax incentives for charitable giving, and the emphasis in this statement on philanthropic motivation in no way minimizes the necessity and appropriateness of a full and accurate explanation by the Gift Planner of those incentives and their implications.

III. Full Disclosure

It is essential to the gift planning process that the role and the relationships of all parties involved, including how and by whom each is compensated, be fully disclosed to the donor. A Gift Planner shall not act or purport to act as a representative of any charity without the express knowledge and approval of the charity, and shall not, while employed by the charity, act or purport to

act as a representative of the donor, without the express consent of both the charity and the donor.

IV. Compensation

Compensation paid to Gift Planners shall be reasonable and proportionate to the services provided. Payment of finder's fees, commissions or other fees by a donee organization to an independent Gift Planner as a condition for the delivery of a gift is never appropriate. Such payments lead to abusive practices and may violate certain state and federal regulations. Likewise, commission-based compensation for Gift Planners who are employed by a charitable institution is never appropriate.

V. Competence and Professionalism

The Gift Planner should strive to achieve and maintain a high degree of competence in his or her chosen area, and shall advise donors only in areas in which he or she is professionally qualified. It is a hallmark of professionalism for Gift Planners that they realize when they have reached the limits of their knowledge and expertise, and as a result, should include other professionals in the process. Such relationships should be characterized by courtesy, tact, and mutual respect.

VI. Consultation with Independent Advisors

Gift Planner acting on behalf of a charity shall in all cases strongly encourage the donor to discuss the proposed gift with competent independent legal and tax advisers of the donor's choice.

VII. Consultation with Charities

Although Gift Planners frequently and properly counsel donors concerning specific charitable gifts without the prior knowledge or approval of the donee organization, the Gift Planner, in order to insure that the gift will accomplish the donor's objectives, should encourage the donor early in the gift planning process, to discuss the proposed gift with the charity to whom the gift is to be made. In cases where the donor desires anonymity, the Gift Planner shall endeavor, on behalf of the undisclosed donor, to obtain the charity's input in the gift planning process.

VIII. Description and Representation of Gift

The Gift Planner shall make every effort to assure that the donor receives a full description and an accurate representation of all aspects of any proposed charitable gift plan. The consequences for the charity, the donor and, where applicable, the donor's family, should be apparent, and the assumptions underlying any financial illustrations should be realistic.

IX. Full Compliance

A Gift Planner shall fully comply with and shall encourage other parties in the gift planning process to fully comply with both the letter and spirit of all applicable federal and state laws and regulations.

X. Public Trust

Gift Planners shall, in all dealings with donors, institutions and other professionals, act with fairness, honesty, integrity and openness. Except for compensation received for services, the terms of which have been disclosed to the donor, they shall have no vested interest that could result in personal gain.

Appendix B

Forms of Gifts to the NRHS

Gifts to the NRHS take on a variety of forms. Many are outright gifts by living donors, either on a one-time or periodic basis. Others are testamentary gifts that take effect upon a donor's death or other forms of deferred gifts.

If the value of a gift other than cash or marketable securities exceeds \$5,000, a donor is required to have a qualified appraisal performed and submitted to the IRS on form 8283. If such gifts are sold within two years of receipt at a price other than the appraised value, Form 8282 must be filed by the NRHS.

The NRHS reserves the right to accept or reject any gift as it sees fit. It is the policy of the NRHS to convert all gifts to cash as soon as possible. Real estate and other assets which have potential liability associated with them will only be accepted by a separate real estate holding corporation to be established by the NRHS.

Cash

The NRHS accepts cash, checks, or money orders made payable to the NRHS or any of its funds.

Marketable Securities

The NRHS will add the net proceeds of a marketable securities contribution to a fund of the NRHS. The NRHS will govern the disposition of securities, and will make all decisions regarding the sale or retention of securities.

Stock in Privately Owned Companies and Partnerships

Donors wishing to make gifts of stock in a closely-held corporation or S corporation or a gift of a partnership interest must have it valued by a qualified independent accounting or appraisal company prior to making a contribution. If it is immediately marketable, it will be sold. Otherwise, it will be held by the NRHS until it may be redeemed or sold for cash.

Generally, the NRHS does not accept gifts of general partnership interests due to potentially unlimited liability.

The acceptability of a gift of closely-held stock, S corporation stock, or a partnership interest will depend on the ultimate financial liability of the NRHS, the amount of management attention required, whether the gift provides minority or majority control, or whether the donor requires that such interest not be sold.

Consideration will be given to whether the S corporation stock or partnership interest generates unrelated business taxable income, if there is corresponding revenue to pay such taxes, the nature of the business, recordkeeping and accounting requirements, and how quickly the gift can be converted to cash.

Life Insurance Policies

The NRHS will accept gifts of permanent life insurance policies if the NRHS is named as owner of or is assigned ownership in such policies. Policies continuing on a premium-paying basis will be maintained as such by the NRHS so long as gifts are made to the NRHS in the amount of the premiums due.

Premiums can be of a reducing amount if dividends are directed toward future premiums. Should such premium gifts not be forthcoming, the NRHS may, on the recommendation of the Gift Acceptance Committee, elect:

- To have the NRHS continue the premium payments.
- To surrender the policy in exchange for its cash surrender value.
- To invoke procedures under which the existing policy values can sustain the policy without further outlay of NRHS funds for premium. This can take on any of the following forms:
 - Change the dividends to Net (Have the dividends pay future premiums)
 - Use the Automatic Premium Loan feature (Borrow against the cash value to pay future premiums)
 - Use a combination of the two previous options (Have the dividends pay as much of the premium as possible and borrow against the cash value for the remainder amount)
 - Change the policy to Paid-Up in which case, no more premiums will be due

The NRHS discourages the contributions of life insurance policies subject to policy loans and reserves the right to accept or reject such policies as well as those carrying assignments to other entities. The NRHS will consider its own interest and the best interest of the donor in the light of tax ramifications in determining on a case-by-case basis the acceptability of encumbered life insurance policies. Particular care will be given to problems of self-dealing, jeopardy investments, and unrelated business income in this regard.

Gifts Naming Multiple Beneficiaries

From time-to-time, donors may wish to designate multiple beneficiaries of the proceeds from their life insurance policies, IRA's, other qualified retirement plans, pooled income funds, gift annuities, or other forms of gifts to the NRHS. It will be encouraged that other charitable organizations be named as beneficiaries on the contract. However, if the NRHS is selected as sole beneficiary and then requested to distribute funds to other organizations, the following guidelines shall apply:

- A. The Committee will take into consideration the amount of the total gift, the amount designated for the NRHS both discretionary and restricted, the added value to the community, and in the case of life insurance policies, whether or not the premiums are paid up.
- B. In the case where the NRHS becomes the sole owner of a donor's life insurance policy, the NRHS subsequently has the exclusive right to change the beneficiary/distributee designations. It can then name the NRHS or other charitable organizations as beneficiaries. These other charitable organizations must qualify as such under Section 501 (c) (3) and which are described under Section 170 (b) (1) (A) of the Internal Revenue Code.
- C. If a policy beneficiary/distributee designation is to be changed to a charitable organization other than the NRHS, the NRHS shall consider the charitable intentions of the donor. It is understood, however, that a donor's recommendations in this regard are advisory and that the NRHS, as owner of the policy,

retains exclusive authority to direct the death benefits, maturity, and surrender proceeds of the policy.

Real Property

If a donor wishes to contribute real property or an interest in real property to the NRHS either directly or through a life estate arrangement, the Gift Acceptance Committee shall consider all facts and circumstances in determining whether to recommend accepting the gift. Donors always should be advised to confer with their own counsel to review the terms of the gift.

Following the Appendix C, the *NRHS Real Estate Holding, Inc. Real Estate Acquisition Checklist*. This checklist will be utilized for all transactions involving real estate gifts.

Tangible Personal Property

The donor will be advised whether the gift will be retained and used by the NRHS or disposed of immediately.

Items that NRHS will not ordinarily accept include the following items:

- Any item classified as a Hazardous Material by the U. S. Department of Transportation
- Railroad locomotives, rolling stock, machinery, equipment and any items that would require NRHS to either purchase or lease storage space or facilities.
- Books *
- Periodicals *
- Maps, track charts, timetables or any other paper items *
- Railroadiana *

The Gift Acceptance Committee will review and unanimously approve all exceptions to the above list before NRHS accepts any such gift.

* While NRHS no longer accepts such items, NRHS has transferred such items to the DeGolyer Library at Southern Methodist University, and some NRHS chapters. There are many other museums, libraries, tourist railroads,

special interest groups and NRHS chapters that should be considered as likely candidates for receiving these types of items for their collections. The Gift Acceptance Committee will work with prospective donors in identifying likely deserving recipient organizations to receive such gifts.

Accounts Receivable

The NRHS will consider gifts of loans, notes, and mortgages, subject to review by the Gift Acceptance Committee.

Appendix C

NRHS Real Estate Holding, Inc. Real Estate Acquisition Checklist

1. Name of Donor(s) _____

Address _____

Phone: _____
Work Phone
Home Phone
Cell Phone

Best Time to Call? _____

Email Address _____

Location of Property _____

Ownership: (fee simple, joint tenancy, etc.) _____

Purchase Date: _____

Cost Basis (including Improvements): _____

Does a Mortgage Exist on the Property? _____

Has Property been Depreciated? _____ By What Method? _____

If professional services are used (realtors, appraisers, environmental engineers, etc.), how should arrangements be made to gain access to the property?

Property Manager: _____
Name
Phone

Donor's Attorney: _____
Name
Phone

Donor's Accountant: _____
Name
Phone

Assessor's Parcel Number: _____

2. Brief Property Description

a. Residential

Donor's House Multi-Family Seasonal Home Rental Property

b. Commercial, please describe: _____

c. Previous Uses of Property, please describe: _____

d. Undeveloped Land, please describe: _____

3. Area Description: _____

4. Are any of the following on the property? Or in the immediate area? Please check if yes:

Gas Stations

Factories

Landfills

Underground Storage Tanks

Any other potential environmental "red flags"

Storage Sheds

Please provide details for any of the items checked above: _____

- 5. Property cash (please attach copies of most recent annual income statement, current rent rolls, and copies of all existing leases involving the property).

Projected Annual Revenue \$ _____

Projected Annual Expenditures (\$ _____)

Projected Net Cash Flow \$ _____

- 6. Value and Marketability of Property:

- a. Executor/Trustee Estimate of Fair Market Value \$ _____

Basis for Opinion? _____

- b. Any recent sales of neighboring properties? If yes, describe: _____

- c. What is the Property Tax Assessment \$ _____

- d. Have there been any appraisals or realtor market analyses performed on the property in the past two years? If yes, please list dates and values given:

_____ \$ _____
Date

_____ \$ _____
Date

- e. Has the property been on the market recently: _____

- f. Property Liens

- (1) First Mortgage _____ Balance Due: \$ _____

- (2) Other Liens, please describe: _____

- (3) Easements, please describe: _____

- g. Maintenance needing immediate attention, please describe and include estimated cost: _____

Has owner made plans to do repairs? ____ If so, please describe: _____

h. Major expenditures that may be required per statutes of local, state, or federal government. Please describe any known code requirements that the property may not be in compliance with and the estimated cost to correct:

(1) Earthquake Protection: _____

(2) Environmental: _____

(3) Other Governmental Requirements (Fire, Flood, etc.): _____

(4) Is there the following on the property?"

____Asbestos

____Urea Formaldehyde Insulation

If yes to either of the above, please give details as to the extent and location. Also describe local requirements, i.e. removal prior to sale, full disclosure, etc.

i. Is the property insurer? _____

If not, please explain: _____

Materials to get from executor/trustee, if applicable:

____Pictures of Property

____Appraisals and Market Analyses

____Most Recent Tax Bill

____Engineering Reports

Please list names and phone numbers of realtors that donor recommends who would be potential marketers of the property.

Does donor have names of potential buyers of the property? If yes, please list with phone numbers:

Is there a pre-arranged sale agreement? _____

Gift Acceptance Committee comments on whether or not to accept property:

Name and Title

Acceptance or Non-Acceptance of the Property:

APPROVED

NOT APPROVED

NRHS PRESIDENT

NRHS PRESIDENT

Date

NRHS VICE PRESIDENT

NRHS VICE PRESIDENT

Date