



DEPARTMENT OF PARKS AND RECREATION



MIDLAND COUNTY SERVICES BUILDING • 220 WEST ELLSWORTH STREET

MIDLAND, MICHIGAN 48640-5194 • PHONE (517) 832-6870

WILLIAM C. GIBSON
DIRECTOR

June 19, 2000

Jeannie Dougherty, Admin. Assist.
Rails-to-Trails Conservancy
105 Locust Street
Harrisburg, PA 17101

Dear Ms. Dougherty:

Nancy Krupiarz asked if I would forward the enclosed endowment agreement for our Pere Marquette Rail-Trail to you. You'll note the agreement is with our community foundation, the Midland Foundation. I've also sent along a couple of articles from our local paper about the endowment.

I hope this information helps. Please feel free to call me at (517) 832-6876 if you have any questions.

Sincerely,

William C. Gibson
Director

WCG

✓ xc Nancy Krupiarz

THE MIDLAND FOUNDATION

812 West Main Street
Midland, MI 48640

The Midland County Rail-Trail Maintenance Endowment Fund

This endowment fund agreement is made and entered into by and between Midland County and the Midland Foundation.

1. The Midland County Rail-Trail Maintenance Endowment Fund

Any person, whether an individual, corporation, foundation, trust, estate or organization may make a gift to the Midland Foundation for the purposes of the Fund by a transfer to the Foundation of property acceptable to the Foundation in whole or in part for the Fund. All gifts, bequests and devises to this Fund shall be irrevocable.

2. Mission and Purpose

The mission of The Midland County Rail-Trail Maintenance Endowment Fund is to support the maintenance and amenities of that portion of the Pere Marquette Rail-Trail of Mid-Michigan which is owned by Midland County.

The purpose of The Midland County Rail-Trail Maintenance Endowment Fund is to provide earnings to be used in support of this mission.

3. Investment of Funds

The Midland Foundation shall have all powers necessary or in its sole discretion desirable to carry out the purposes of the Fund, including, but not limited to, the power to retain, invest and reinvest the Fund in any manner within the "prudent investor" standard and the power to commingle the assets of the Fund with those of other funds for investment purposes.

4. Distribution

Subject to Paragraph 5, earnings allocated by the Midland Foundation to the Fund shall be spent by the Midland Foundation or granted exclusively to organizations of the type to which an individual taxpayer may make deductible charitable contributions, gifts and bequests under the income, gift and estate tax provisions of the Internal Revenue Code of 1986, as amended.

It is intended by the foregoing that at the time a distribution is made from the Fund, the organization which is the distributee must be an organization described in sections 170(c)(1) or 170(c)(2) of the Internal Revenue Code of 1986, as amended (or any

The Midland County Rail-Trail Maintenance Endowment Fund -- p. 2

successor provision) or as may be specifically set forth in the Articles of Incorporation or Bylaws of the Midland Foundation.

5. Recommendations for Distribution

The Director of Parks and Recreation for Midland County may from time to time recommend that the Midland Foundation make distributions to a named non-profit organization from this Fund. The Midland Foundation would expect to follow the above recommendations, but reserves the right to accept or reject them.

Within the Midland Foundation's principles and procedures for a designated fund, distribution from the Fund shall be made at such time or times and in such amount or amounts as may be determined solely by the Midland Foundation to such organizations of the type described in Paragraph 4 as may be designated by the Midland Foundation .

6. Continuity of the Fund

The Fund shall continue so long as the purpose of the Fund can be served by its continuation. If the Fund is terminated, the Midland Foundation shall devote any remaining assets in the Fund exclusively for charitable purposes that:

- a. are within the scope of the charitable purpose of the Midland Foundation Articles of Incorporation; and
- b. most nearly approximate, in the good faith opinion of the Midland Foundation, the original purpose of the Fund.

7. Costs of the Fund

It is understood and agreed that the Fund shall share a fair portion of the total administrative costs of the Midland Foundation. The administrative cost annually charged against the Fund shall be determined in accordance with the then current Fee Agreement identified by the Midland Foundation as the fee structure applicable to funds of this type.

8. Charitable Deductions

It is intended by Midland County and by the Midland Foundation that federal gift, income and estate tax charitable deductions shall be allowed to Donors and to their estates and that the Midland Foundation shall continue to qualify as an organization described in sections 170(c)(1) or 170(c)(2) as amended. This entire agreement shall be construed and applied so as to comply with the requirements of federal tax law for allowance of such charitable deductions and for such qualifications.

Approved by the Midland Foundation at a meeting of its Board of Trustees on

7-28-99

(battot by mail)

In witness hereof, we execute this agreement.

For The Midland Foundation

/s/ Denise K. Spencer
Denise K. Spencer, Executive Director

7-28-99
Date

/s/ Sharon L. Sims
Sharon L. Sims, Financial Officer

7-29-99
Date

For Midland County Parks and Recreation Commission

/s/ Robert Sheets
Robert Sheets, President, Parks & Recreation
Commission

7/12/99
Date

/s/ William Gibson
William Gibson, Director, Parks & Recreation

7/8/99
Date

For Midland County

/s/ Betty L. Fillmore
Betty L. Fillmore, Chairperson, County Board

7-6-99
Date

/s/ Karen Holcomb for
Karen Holcomb, County Clerk

7-6-99
Date

Friday, July 23, 1999

Rail-Trail endowment fund in the works

By **ANGELA E. LACKEY**
of the Daily News

A new endowment fund is in the works to make it easier for people to donate to the rail-trail — and get a tax break.

The Midland Foundation, the Midland County Board of Commissioners and the Midland County Department of Parks and Recreation have been working together to create a new Pere Marquette Rail-Trail of Mid-Michigan Maintenance Endowment Fund.

There already is a county maintenance fund, but there are donation and tax break restrictions, according to foundation Executive Director Denise K. Spencer.

A donor to the county fund can file a charitable tax deduction. What the person cannot file for is the Michigan Tax Credit, which provides "a significant tax advantage," Spencer said.

Money contributed to the new fund would be invested more "aggressively" than the county fund, Spencer said. This would create more fund money.

The proposed new fund agreement states "any person, whether an individual, corporation, foundation, trust, estate or organization," can donate. Donations will be considered "irrevocable."

The money will be used for maintaining the popular rail-trail, which Spencer called "one of our finest family park opportunities in Midland."

"People still appreciate the trail," Spencer said.

Spencer added that people often call asking about a foundation rail-trail fund.

William C. Gibson, director of parks and recreation, recommended that the foundation start the fund with a \$5,000 grant.

Spencer said the foundation's board of trustees originally planned to vote on the proposed fund Wednesday, but did not meet. The trustees now will vote by ballot. They should make a final decision by August.

LOCAL

Midland Daily News

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Fund approval comes with donation

By ANGELA E. LACKEY
of the Daily News

The Midland Foundation Board of Trustees has said yes to creating a new rail trail endowment fund — and donated \$5,000 to get the fund started.

The foundation worked with the Midland County Board of Commissioners and the Department of Parks and Recreation to create the new Pere Marquette Rail-Trail of Mid-Michigan Maintenance Endowment

Fund.

A county rail trail maintenance fund already exists, but there are donation, tax break and investment restrictions because of state and federal laws regarding donations to governmental units. Donated money pays maintenance costs for the rail trail.

This new fund allows "any person, whether an individual, corporation, foundation, trust, estate or organization," to donate.

A donor can claim a charitable tax deduction whether donating to the county fund or the foundation one. But there is an added bonus for those donating to the foundation fund — the Michigan Tax Credit.

This tax credit provides "a significant tax advantage," according to foundation Executive Director Denise K. Spencer.

The foundation fund also will be able to grow more quickly than the county fund. Money contributed to the fund

can be invested more "aggressively," Spencer said, making more money for the fund.

The money will be used for maintaining the popular rail trail, which Spencer called "one of our finest family park opportunities in Midland."

Rail trail fund donations can be sent to the Midland Foundation, P. O. Box 289, Midland, MI 48640-0289. Indicate that the donation is for the "County Rail-Trail."