



## **GRANTS/FUNDRAISING COMMITTEE MEETING**

**Friday, Dec 16th, 2022 8:30 A.M.**  
(meeting held at Park Office)

### **MEETING NOTES**

Meeting called to order at 8:30am

Roll Call: Mike Selig, Dave Wehner, Mark Robeson

#### **Introductions:**

Individuals present: Mike Selig, Dave Wehner, Mark Robeson, Lynn Richardson, Judy Bowman, John Piepsny, Anita Gantner, Nancy Kanik, Marcia Wehlan, Christine Naizer

#### **Review of Previous Action steps:**

##### **Endowment Fund – All**

Revisited the idea of an endowment fund through the Akron Community Foundation. Lynn Richardson indicated that Friends group still deciding what the endowment will be designated for and weighing the option of initial intent of making it specific (Kirby's Mill) vs. more general (Historic structures, RHP).

##### **Friends donation acceptance policy – All**

Revisited current donation policy and current impasse of the desire by Friends to not utilize donated funds for the demolition of historic structures and the need of the RJRD to not have restrictions on funds that are donated. Both Dave Wehner and Mike Selig did an initial review of the current MOU between the two groups. Mike Selig pulled out a couple points from the MOU that appeared to capture the current process for donations.

- 2.) Establish and maintain a collaborative relationship with RJRD with the goal of accomplishing philanthropic projects and encouraging volunteer contributions.
- 3.) Be qualified to solicit and accept philanthropic contributions under applicable state and federal laws.
- 4.) Comply with all applicable local, state, and federal government laws and regulations for nonprofit organizations and fundraising activities, and with applicable RJRD rules, regulations and policies concerning the Park.

Above points were discussed among group. Lynn Richardson read a position statement from an attorney (Donald R. Scherer) that was not affiliated with RJRD or FoRHP. (Attachment 1). Group discussed briefly but felt that best next step would be to review the statement and revisit at the next meeting.

## **Donor Plaque discussion - All**

Brief discussion about approximate location and pending design of donor plaque. Will submit a resolution at next regularly scheduled meeting adopting the agreement to have a donor plaque and approximate location. Resolution to be submitted:

"Friends of Richfield Heritage Preserve and RJRD will acknowledge major donors to the Kirby's Mill restoration project by means of a permanent, free-standing structure located somewhere between the south parking lot and the emergency overflow swale adjacent to the mill. The design and final location to be submitted by Friends and approved by RJRD once the full amount of funds have been raised. Threshold for inclusion has been set by the Friends. The threshold for inclusion has been set by the Friends at \$500 for name recognition and \$1,000 to add a short line such as "in memory of..." or in honor of..."

## **Grants**

Discussed the following projects as having been identified by the strategic plan and would be good ones to work towards for grants.

Amity house  
Boat House  
Chagrin Valley Cabin  
Pack Out  
Pool House  
Waterfront Shelter  
Front entrance/Driveway/Parking lot \*Handicap accessibility  
Trails – connections  
Wayfinding  
Programs  
Top 10 list - John Piepsny provided previously and will provide again

Upcoming grants and deadlines that were discussed included:

Clean Ohio Trail Funds – April 14<sup>th</sup> (trails)  
Recreational Trails Program – April 15<sup>th</sup> (trails)  
Nature Works – June 1<sup>st</sup> (bridges)  
Paddling Enhancement Grant – Mar 1<sup>st</sup> (increased access and accessibility for hand powered paddling) up to 100% reimbursable and up to \$75,000  
- ADA kayak launches, ramp improvements, lighting, restrooms, parking lots.  
Land and Water Conservation Fund – Nov 15<sup>th</sup>  
NEC grant – Jun 30<sup>th</sup> (profile due) Oct 31<sup>st</sup> – application due – infrastructure/energy efficiency  
Ohio State Historic Preservation office – Feb 18<sup>th</sup>

Given upcoming deadline (Mar 1<sup>st</sup>) for the Paddling Enhancement Grant and the overall support for some form of improved paddling accessibility at upper lake will try and apply for this grant. Marcia Wehlan to pull up grant application and John Piepsny to work on getting a baseline estimate for deck improvement and/or foundation improvements for the Boathouse.

Anita Gantner brought up the possibility applying for a follow up Clean Ohio grant.



John Piepsny reported that he and Anita Gantner met with Envision (grant writing group) and that they will provide us some options for grant writing the 3<sup>rd</sup> week of January. Group decided that will be best to see what grants would be best for Envision to go for prior to deciding what additional grants to apply for.

### **Fundraising**

Further discussed the idea of who will lead large scale fundraising efforts like the One in a Million event. John Piepsny discussed idea of a band festival in August. Dave Wehner brought up some concerns about noise ordinance that will need to be addressed.

John Piepsny provided update on RHP newsletter being a biannual brochure that will provide a list of seasonal programs in a more concise format with the goal of sending a copy to all Richfield village and township residents via mail.

### **State Capital Bill**

Need to prioritize our request for the 2024 State budget allocation (needs to occur summer 2023). Will work in conjunction with the Friends group/Oviatt House/Ohio Horseman's Council to make this request.

Initial discussion was that front entrance (repave entry driveway, parking lot (improving ADA accessibility around Lodge), entry gate, signage) would be what is asked for this next cycle.

### **Minutes**

#### **Old Business**

Nature Works grant update – grant denied, awaiting response for how to improve next year's application

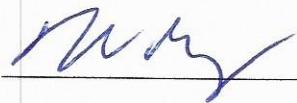
#### **New Business**

#### **Adjournment**


Motion to adjourn by Mike Selig, seconded by Dave Wehner. Meeting adjourned at 9:26am.

Submitted By:

Accepted By:



Date: 02/26/24



Date: Feb 26, '24

Mike Selig, Committee Chair

Dave Wehner, Committee Member



## Attachment 1

To the Board of Directors of Richfield Joint Recreation District (the "Board"):

Friends of Richfield Heritage Preserve ("FoRHP") has asked that I submit a written statement discussing high level potential legal, operational and practical issues and concerns surrounding or otherwise arising in connection with proposed "pass through" donations, which are, or may be, made to FoRHP for the benefit of the Richfield Joint Recreation District ("RJRD").

Initially, this statement is a high level review, which should in no way be deemed or viewed as a comprehensive analysis of the myriad of issues at issue here, nor should it be viewed or construed in any way as legal advice. Likewise, this statement does not bind FoRHP in any way to any action or inaction, or otherwise constitute a waiver of any rights of FoRHP.

As I understand it, RJRD is a governmental entity, jointly formed by the Village of Richfield and Richfield Township. It owns Richfield Heritage Preserve. Although it owns Richfield Heritage Preserve, it has the broader mission "to safeguard, support and maintain the natural properties of Richfield while encouraging recreational and educational opportunities in our community." <https://www.rjrd.org/about-rjrd.html>.

FoRHP is an Ohio non-profit corporation, which is recognized by the IRS as exempt from taxation as a qualified 501(c)(3) public charity. Its charitable purpose is "to preserve, protect, enhance, and promote Richfield Heritage Preserve." <https://www.friendsofrhp.org/bylaws.html>.

It is my understanding that FoRHP has in the past facilitated donations to RJRD for specific projects that further the mission, vision and charitable purpose of FoRHP, as well as the mission of RJRD. RJRD now desires to establish a relationship whereby FoRHP simply "passes through" third-party donations to RJRD to be used for any and all purposes approved by RJRD, without oversight or approval from FoRHP or its donors, and irrespective of whether these donations comport with or further the mission, vision and charitable purpose of FoRHP.

RJRD has represented to FoRHP that it has vetted this proposed arrangement through one or more non-profit lawyers, who have determined that this arrangement is permissible. Unfortunately, we have been unable to verify or corroborate this position. If you have materials or citations to IRS regulations or guidance that support this position, please provide it for our review.

This proposal raises a number of legal and compliance related issues. Initially, while donations to governmental authorities may be made with tax deductible charitable contributions, that is not the case in all instances. See IRS Pub. 526. Charitable contribution status, as well as deductibility, ultimately depends upon the governmental authority's use of the donation. Granting RJRD unfettered use of funds without direction or oversight by FoRHP makes it nearly impossible for FoRHP to appropriately track whether the donation was actually used for a permissible public charitable purpose and whether the donations was actually tax deductible to its third-party donors. Moreover, as a 501(c)(3), FoRHP is permitted to accept donations only if those donations further the charitable purpose(s) for which it was granted 501(c)(3) status. While FoRHP and RJRD have similar missions and purposes, they are not identical. RJRD's mission encompasses "the natural properties of Richfield" and is not necessarily limited



to matters involving Richfield Heritage Preserve. In contrast, FoRHP's mission is limited exclusively to furthering Richfield Heritage Preserve.

The proposed arrangement creates potential legal risks for FoRHP. When a donor writes their check to FoRHP, FoRHP must provide to the donor a written acknowledgment on its letterhead accepting the donation in its name. And, the expectation of the donor is that its donation to FoRHP, a 501(c)(3) organization, will be tax deductible. In the proposed arrangement, the donor's relationship is with FoRHP, not RJRD. When FoRHP accepts donor funds, it arguably assumes some responsibility that those funds are used in accordance with its approved charitable purpose, and it arguably assumes some responsibility to the donor to ensure the donor's intent is met and that the donation is appropriately tax deductible. If the donor should later have any issue or perceived issue with how the funds were used, or their tax deductibility, FoRHP would bear the brunt of this dispute, and any potential litigation that flows from it. In fact, FoRHP may be forced to redress the matter entirely itself as under the proposed arrangement there is no privity between the donor and RJRD, and RJRD could potentially assert sovereign immunity as a government authority.

Extra legal considerations are relevant as well. Irrespective of the legality of the arrangement, FoRHP has a moral obligation to its donors to make sure donations are used to further its mission, vision and charitable purpose. Donor disputes and misunderstandings can also hurt FoRHP reputationally. This proposed arrangement also creates additional record keeping and accounting requirements and burdens for FoRHP.

Although these scenarios may be viewed or considered as a low-risk, theoretical situations, a recent series of events involving FoRHP, RJRD, and a donor running group resulted in a small, but material, dispute that ended up having a negative impact on all parties involved. This dispute underscores that the risks are real. Fortunately, to date there has been no litigation. But, this dispute did result in frustration, hours of lost time, and an overall souring of some relationships.

In spite of this particular misstep, FoRHP recognizes that RJRD is making great strides forward and would like to continue to help. FoRHP changed its financial policy, which previously permitted only donations of goods and services to RJRD (i.e., non-cash donations), but now permits pass through donated funds from third-parties to RJRD "for specific, mutually agreed upon projects", should the need arise. The revised policy lists some stipulations, including, without limitation, that: (1) donated funds only be used for Richfield Heritage Preserve as defined by its current boundaries (consistent with FoRHP's charitable purpose), (2) donated funds cannot be used for demolition, and (3) the specific intent of the donor must be writing and signed by all three parties, with an additional witness to sign if the donation is greater than one thousand dollars. FoRHP Financial Policy (updated April, 2022).

This policy change was initially proposed over a year ago in response RJRD adopting a business plan for The Lodge. The policy at that time was limited to donations in support of The Lodge business plan. RJRD asked that the policy be expanded. After extensive review of the risks and options, FoRHP agreed to liberalize the policy while setting up reasonable safeguards for all parties. The current FoRHP policy does not obligate RJRD in any way. It is utilized only if a donor approaches RJRD about the availability of a 501(c)(3) tax deductible donation, and even then, only if RJRD wants to make use of it. So far, RJRD has not sought to utilize the revised policy.

This revised policy substantially expands FoRHP's ability to assist RJRD while protecting its 501(c)(3) non-profit status and furthering its charitable purpose. It seeks to honor the donors' intent through clearly documented communication and to enhance the relationship between FoRHP, RJRD and the donor community.

Ultimately, FoRHP wants a strong partnership with RJRD. But, that partnership must be conducted in such a way that comports with the law, does not jeopardize FoRHP's tax exempt status, does not expose FoRHP to unreasonable or unnecessary legal risk, and furthers FoRHP's mission, vision and charitable purpose. FoRHP feels that its revised financial policy is the best way to balance all of these issues and to continue a strong partnership into the future.

Thank you for the opportunity to submit this statement. FoRHP looks forward to a strong partnership with RJRD moving forward.

STARK & KNOLL CO., L.P.A.

Donald R. Scherer, Esq.

(On behalf of Friends of Richfield Heritage Preserve)

