

THE JOHN H. EMERY RAIL HERITAGE TRUST

JOHN H. EMERY: John Emery (1937 - 2012) was a native of Chicago, Illinois, who traveled by train in over 125 countries. One of his ambitions was to help educate the public on the intercity rail passenger experience that he loved and to offer the public the chance to see and ride trains that connected the US before the advent of jet aircraft and the interstate highway system. To accomplish this, he established a Rail Heritage Trust to provide funds for IRS approved 501(c)(3) non-profit organizations that support these goals.

PURPOSE OF THE TRUST: The John H. Emery Rail Heritage Trust is an IRS approved 501(c)(3) charitable trust created for purposes specified by Mr. Emery. Certain principles are described by Mr. Emery in his Will that are binding on both the Trustee and the three-person Advisory Committee selected by Mr. Emery prior to his death. These principles are set forth in the Trust and are as follows:

“1. To help re-create and preserve, to the extent possible, the rail passenger travel experience as it was in the U.S. from approximately 1920 through 1960.

2. To preserve and restore to working order rolling stock and other working artifacts from the “Golden Age” of U.S. rail passenger service.

3. The emphasis shall be on organizations that offer the general public an opportunity to ride historically significant equipment over historic rail lines. The Trust may, however, support organizations that would use modern equipment to restore passenger service over historic rails, or to build new rails on which to operate historic equipment in passenger service.

4. Trust funds may be used, if appropriate, to restore or rebuild ancillary facilities essential to the operation of, or extension of, a working passenger operation. Rebuilding a trestle or grade crossing or electrical facility would qualify. Restoring a historic depot to its original appearance should be considered only if it was to be used to support ticket sales, souvenir sales, or other functions directly related to passenger operations. I do not care to support cosmetic restoration of structures or equipment, no matter how historic, for static display only. Nor do I wish to donate toward buildings or other structures unless they are to be part of, or used to support, a working demonstration passenger railroad.

5. I do not wish trust funds to be used in support of any organization whose principal function is lobbying for or promoting commercial or government-sponsored rail services.”

THE TRUST: The size of the trust is significant and the trust is intended to be perpetual. The amount of money to be distributed each year will depend on the return on investments held by the Trust; therefore, it will vary each year. The amount to be disbursed each year will not be announced in advance; however, requests by any qualified applicant must not exceed \$50,000 for any given year. The Trust may make multiple awards annually.

APPLICATION PROCEDURES: The Advisory Committee will accept applications annually. Applications are due by 11:59 PM CST February 1st of each year. Grant awards will be announced and funds disbursed in April of the year applications are submitted.

The Emery Trust application form must be downloaded from the website and filled out completely and accurately. The completed forms can then be emailed back to:

application@emeryrailheritagetrust.org

All supporting documentation must also be emailed to the same address, including tax paperwork, budgets, photographs, etc. **Please note, no emails can be more than 10 MB, including attachments. It is OK to send multiple emails, as long as each one is less than 10 MB. This applies to all our email addresses.**

E-mailed submissions are strongly encouraged, but if an application must be submitted in hard copy format, forward four complete copies to First Option Bank, 702 Baptiste Drive, Paola, KS. 66071. Applications must be typed and should include photographs that will assist the Advisory Committee members in evaluating the details and worthiness of the request. Please note that ALL requesting organizations must be not-for-profit and have approved IRS 501(c)(3) status, proof of which must be included in the application. Questions may be emailed to questions@emeryrailheritagetrust.org or to First Option Bank in writing at the above address. Transmission by FAX is not acceptable.

Guidelines:

1. Applications may be submitted for amounts up to \$50,000 for any given year. Grants will not necessarily be awarded for the full amount requested. Only one application will be considered from any organization in a given year. Grant requests submitted in successive years for the same project will be considered based on the merit of the overall project as determined by the committee.

2. No organization may receive more than three grants in the most recent five-year period. For example, if an organization receives grants three years in a row, that organization will be ineligible for another grant in the next two years. If a different organization receives two grants in the past three or four years, that organization is eligible for a grant in the fifth year. If the second organization does receive a grant in the fifth year, they then would be ineligible for another grant until the point where they have not received more than three grants in the most recent five years.

The purpose of this rule is to encourage more organizations to apply for grants and have a chance for receiving financial assistance. However, all requests will be based on merit, and in the event there are not enough qualifying applications to distribute all the available funds, the trust reserves the right to make exceptions to this rule. Therefore, organizations may request grants even if they fall in a category described above where they otherwise would be ineligible. In such cases, priority will be given to qualifying organizations who are eligible under this rule.

3. As noted above, the requesting organization must have an approved IRS 501(c)(3) status, proof of which must be attached with the application. The organization requesting funds should own the piece of equipment for which funds are requested. If the organization leases the equipment, then the owner must also be non-profit and supply their tax ID number and a copy of the lease between

the two parties. When a lease is involved, detailed information regarding ownership must be provided.

a. In some cases, a state, regional government authority or local government may own the equipment or property on which the requesting organization operates and has given authority and/or approval for the requesting organization to possess, restore and/or operate it. In such cases, an official document outlining that authority and/or approval must be included.

b. For equipment that is leased, a copy of the lease or another legal document must be attached. The requesting organization must provide written details explaining the relationship with the owner and terms under which the requesting organization has the authority to restore and operate the equipment, along with details of assurances that the lease will not be terminated once the restoration is completed. While rare, such leases or other legal agreements raise concern about whether Trust funds can or should be approved.

4. Photographs of the artifact(s) that are the subject of the project must be attached. If photos are not included, an explanation for their absence must be provided. Other pictures and diagrams related to the proposed project may be attached, as well as any documentation that best describes the historic importance of the artifact. Concise descriptive literature about major items to be purchased should also be included. Videos may be submitted if they show the artifact in greater detail than still photos.

5. A proposed budget must be submitted with the application, including estimates provided by contractors for work required to be done professionally. It is understood that exact details and expenses for a restoration project may not be known until the project begins. Submit what you consider to be a realistic, not conservative, estimate of what the project will cost. NOTE: If the application is intended for only a portion of a larger project, provide more details of what the requested funds will be used for, but also include the projected cost and length of time expected to complete the entire project.

6. Projects must pertain directly to the *intercity* rail passenger experience during the defined period (1920 – 1960.) Projects that pertain to *urban mass transportation* such as subways, elevated trains or surface streetcars do not meet the principles established in Mr. Emery's Trust and cannot be considered.

7. Recipients are expected to acknowledge financial support by the John H. Emery Rail Heritage Trust by a story in their organization publication, posting on the organization website and social media such as Facebook, and submitting press releases to appropriate local and rail fan/museum media. They are required to conspicuously post a plaque or certificate in an appropriate location that is highly visible to organization members/workers, guests and riders. Recipients grant the Trust the right to publicize its support of the project and to use project photographs.

8. Recipients will grant First Option Bank or members of the advisory committee the right, if requested, to make on-site inspections of the work in progress and upon completion of the project.

9. While not required, applicants are encouraged to have some type of program that encourages young people to be involved in the project for which funds are requested. This is considered

important to the future of the rail fan hobby as a whole, and historic rail equipment restoration in particular. Examples may include such activities as sponsoring a Rail Camp, a Scout Explorer Post, hiring interns or offering apprenticeships.

10. The Trust encourages organizations receiving grants to use them as an incentive to solicit new donations for the specific project for which the grant is awarded. However, there is no requirement to raise matching funds.

11. Grants are not expected to be repaid except under situations noted below:

a. If the project is terminated for any reason, the unused grant funds must be returned to the Trust along with a full accounting of the funds spent. If the item is destroyed by fire, flood, etc., or sold, full repayment of the grant amount may be requested by the Trust.

b. Failure of the recipient to use the grant funds for the purpose requested, or within a reasonable extension of the submitted schedule for project completion, as approved in writing by First Option Bank, shall constitute default. If the grantee defaults, all unused grant funds shall be returned to the Trust and the recipient shall be ineligible for future grants within five years of the date of default.

c. Funds not expended within 24 months of the check being issued by the Trust will be returned to the Trust.

12. Once funds are disbursed, the Advisory Committee would like to know how approved projects turn out. We request a one-time report describing and showing in pictures (if appropriate) how the funds from ERHT were used. This report should reflect the end result, unless the funds were for a specific part of a larger project (such as restoration of a locomotive) in which case the report/photos should show what the funds were used for. We will use selected photographs/descriptions on our website to share with others what the ERHT has helped accomplish.

13. Brevity is better than length. We normally receive many applications and have limited time to review each one. *Give us the basic information about your project and responses to questions on the application. If we have questions one of the advisors will contact you to ask for specifics.*

14. All organizations must have a non-discrimination statement on their web site and other literature, and a copy must be submitted along with your application.