



NATIONAL MODEL RAILROAD ASSOCIATION

The NMRA advances the worldwide scale model railroading community through education and standards as well as advocacy and fellowship.

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NMRA Museum collection policies



NMRA President Mike Brestel

I recently received several emails from members wanting to know about the Howell Day Museum's collection policies — specifically, how the Museum deals with model railroad equipment that is donated, how it is determined what should be kept for the collection, and what should be disposed of and turned into cash, and how the disposal system works.

I have asked Charlie Getz, our North American At-Large director and a Museum Committee member, to answer these questions. His reply appears below:

As you may know, the Howell Day Museum is a function of the NMRA, and is subject to review and policy direction of the Board of Directors. Many years ago, when the Howell-Day Museum Committee was first formulated, the committee adopted policies on accession, or procurement, of collections, and on what is referred to as de-accession, meaning sales of surplus, duplicate, or unwanted items.

Because the NMRA is a nonprofit corporation, donations to the Museum can have beneficial tax consequences under U.S. law. Clearly, not everything donated to the NMRA and its Museum may be of such significance or interest that it should be retained, so the Committee researched the policies of other museums, as well as applicable IRS regulations and procedures concerning limitations on obtaining donations and disposing of donations in creating its policies. The resulting policy was accepted by the NMRA BOT/BOD.

Without going too deeply into the technical details, the Committee's policy is to accept donations without restrictions. We then determine, either by Committee vote or by designating one or more Committee members to evaluate the donated items, what items should be retained for potential display in a future museum, and what items should be declared surplus and disposed of utilizing IRS guidelines.

Since the Museum is not funded by member dues, the Committee looks to private donations of cash and, more typically, sale of surplus items as its chief fund-raising opportunity. In accordance with IRS requirements, the Museum Committee does so in as objective a manner as possible.

Many times when major estates are donated to the NMRA, they are accompanied by an appraisal of the estate done either for probate purposes or to comply with IRS requirements that a donor establish and verify the reasonable value of the donation.

With model railroad equipment, this evaluation can be rather difficult. After all, although we love our hobby, it is certainly not traditional in the sense of fine art or other collectibles.

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Membership: NMRA membership dues are \$55 (U.S. currency) per year, of which \$19 covers subscription to the official publication, *SCALE RAILS* and *NMRA BULLETIN*®. Address all membership applications, renewals, notices of non-receipt (issues that have been lost or delayed in the mail), or other business matters to the headquarters office. Back issues of *SCALE RAILS* are available while supplies last from the Kalmbach Memorial Library at Chattanooga — contact the library regarding availability and pricing.

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Our policy on this is to encourage use of neutral appraisers, generally experts in model railroad sales and values, who can independently value an estate for the donor and at the donor's expense, to provide to the NMRA some idea of the valuation of the donation.

We do not always have the luxury of an appraisal, especially for smaller donations. Even in those cases, we utilize a neutral appraiser, that is, someone who is not affiliated with the Museum Committee, to provide valuation guidelines.

Let me use a recent major donation as an example. I will not use the name of the donor for privacy purposes, but refer to it as the "Smith Collection." This collection was donated, along with a probate court appraisal performed by a noted local model railroader in the area who also happened to be an NMRA member, but not on the Museum Committee. This appraisal gave us not only an inventory list and the approximate value for the donated items. Because of the size of the collection and the anticipated difficulties in moving it to Chattanooga, two Museum Committee members traveled at Museum expense to the city in which the Smith Collection was located to check the collection against the list provided.

As often happens, the list and the collection donated did not match. The surviving family members had sold some of the items before the donation, and they had also decided to retain for sentimental purposes other items from the collection. Also, in accordance with NMRA museum policy, 110 volt transformers and other electrical equipment were omitted for liability purposes. (We do not wish to sell any used electrical equipment that could be a fire hazard!)

We also double-checked the appraisal list to verify the appraisal figures for surplus sales purposes. Frankly, some of the prices were either too high or too low and others did not reflect changes in the model railroading market. An example was a high value given to certain electrical components and analog sound systems, which did not reflect trends and changes in the model railroad command control or digital market.

The Museum Committee members also supervised packing and shipping (at Museum expense) of this collection to Chattanooga, and as with other major collections, spent a number of volunteer hours ensuring that all

of these fragile models and materials were safely transported. Also, the shipment was segregated during packing for those items which were to be retained for the Museum's permanent collection and those items which were to be declared surplus and sold, in order to aid in the processing of those items in Chattanooga.

This brings us to the matter of surplus sales. One issue which has been a problem for us is how to dispose of our surplus items. While every item may be dear to the modeler who owns it and donates it, some items have potential significance for permanent preservation and some do not. The Museum policy on de-accession is to sell the material at the wholesale value of the item, based upon comparable sales and using the appraised price as a starting point.

Many of us on the Museum Committee have some expertise in estate sales. We always advise the surviving family members that the values of model railroad equipment can vary widely. Some items that appear similar may have divergent values based upon rarity, desirability, and other factors. Generally, most model railroad items are rather pedestrian. If an item is to be disposed of through secondary sources, such as a hobby shop, auction or even on eBay, factors such as the charge for the service must be considered and generally, items sell at wholesale, not retail value. Also, perhaps counter-intuitively, unbuilt kits have far more value than assembled models.

We have historically utilized the silent auction at the national conventions as our exclusive mechanism for disposing of surplus materials and as a member benefit. Our conventions are open to all NMRA members, and those who attend have "first crack" at obtaining these items. As you can imagine, this is a very restricted market, since only a small percentage of our membership attends the conventions.

We have also looked at utilizing regions to dispose of property, but there are significant issues of transportation, inventorying, the differing requirements of regions, and other factors that have not allowed this practice to proceed. It is also not practical to open a retail outlet in our Chattanooga headquarters, since it would reach very few NMRA members and our headquarters staff is already heavily impacted with other duties. So here is an area where we need your help – any ideas you may have about how to sell these items would be appreciated.

On occasion, Museum Committee members who traveled to Chattanooga have worked with Brent Lambert, our Museum Director, to assign values and to segregate materials for sale. If an NMRA member is fortunate enough to visit one of these occasions, sales can take place, but these are rare.

We have already looked at eBay and other online auction sites, but frankly that is not very practical given the labor-intense effort of having to shepherd the matter through the bidding process and then pack and ship the item.

We continue to encourage donations. Donations are the lifeblood of the Museum and our sole source of income. Further, despite the emphasis on surplus items in this column, donations are the only way we will be able to preserve the history of our hobby. What may seem insignificant to a donor may be extremely important to all of us. So please encourage donations and consider one yourself. Whether cash or material, all donations are welcome. If we use your item, you should be happy in the prospect that a little bit of the history of the hobby has been preserved.

I hope this answers any questions our members have about our museum policies and if not, I am sure that I or other Museum Committee members would be happy to address any additional questions. And if you have any good ideas on how we can accomplish expanding our sales without a major commitment of volunteers and funds, we would appreciate hearing from you. Our contact information is included in every issue of Scale Rails, and can also be found on the NMRA National Organization page on the Web.

– Charlie Getz

Online database system is up and running

One other quick item this month: the online members database system, which has been in the works since I began as vice president, is finally up and running. It is currently in the hands of all 17 region membership chairs, who are busy testing it out and providing feedback. I expect by next month to have instructions on how each member can securely go online to view and change his or her membership contact records.

See you next month!

