
SECTION FOUR - SALES, GIFTS' AND LOANS
SALES AND MERCHANDISING ON STATE PROPERTY

Sales items must be related to the educational and interpretive themes of the park and the State Park System.

The department will cooperate in planning and design of sales items produced by the association.

A high standard of quality for all publications and objects produced by the association for sale in the park and the State Park System must be maintained.

Only items that have been approved by the department, in advance of sale, may be sold on state property.

The association will NOT sell original historic artifacts.

The association will display all sales items in keeping with the general (design and decor) plan for the park.

Sales of items unrelated to the primary interpretive programs of an association is prohibited. The department is authorized to make exceptions. Approval of sales items and prices, within the scope of an association's primary purpose, remains delegated to the district superintendent. This is a statewide DPR policy.

The purpose of sales items is to promote interest in and study of the interpretive subject of the park. Sales items must not detract from the interpretive integrity of the park. The function of any sales items must be educational, interpretive, or commemorative.

Examples of Appropriate Sales Items

Authentic replicas of an item historically used on-site.

Scale model of a site-related item (i.e.: lighthouse, mission, etc.)

Model of an animal skeleton.

Original paintings and prints of wildflowers reproduced on postcards, calendars, and note-cards (with interpretive messages).

Recordings of animal calls and sounds.

Park commemorative medallions.

Contemporary California or Indian pottery.

Site-related mobiles of whales or other wildlife.

Ethnic crafts and jewelry.

Natural or manufactured products produced by natural or historical demonstrations.

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Wood sales, with an appropriate interpretive message.

If you have questions, ask your department representative (CAL).

Theme-Related Sales Objects

Associations may make available theme-related objects which, in the best judgment of the park interpretive staff, can effectively contribute to the success of the park interpretive program. Critical evaluation of appropriate versus souvenir objects is extremely important to both the department and the associations' IRS status.

Theme-related objects will be appropriate for sale when:

They relate to the basic park theme(s), and are sold as objects solely in and of themselves (generally identified by means of an accompanying written message); they accurately reflect the original purpose, and are not altered by extraneous features.

Reproductions are so marked (permanently) to distinguish them from artifacts.

Crafts are hand-made in the United States by local crafts persons. Craft or other cultural items from outside the park should be made, where possible, by persons who are members of the culture represented, and should be made from authentic raw materials, using authentic methods and specifications.

They are not historic or natural nonrenewable resources.

They are quality products.

They are made of historic materials (e.g., gold jewelry in Gold Rush parks).

They have been approved by the district superintendent.

Items That Are Inappropriate

Nonrenewable resources and historical artifacts.

Any item that might offend a minority, ethnic, or religious group.

Items that could be considered in poor taste.

Bumperstickers or commercial jewelry.

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The Following Items Require Department Approval

Patches/Decals These items may be classified as appropriate only when related to membership activities. Sales of patches and decals is subject to approval by the department, and this approval does not eliminate possible IRS audit and evaluation.

T-Shirts This item may be classified as appropriate when it includes an interpretive, commemorative, or educational message. T-shirt sales items must be approved by the department, and this approval does not eliminate possible IRS audit and evaluation.

Food Products From Demonstrations

Food and/or beverages prepared in demonstrations and offered for consumption by associations in the course of park interpretive programs must meet all applicable public health standards.

Alcoholic beverages

Alcoholic beverages should be included as a risk management item, when distributed to the general public. Use of alcoholic beverages on State Park System property, when sold/distributed to the general public, will require a special event permit.

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SALES AND UNRELATED BUSINESS INCOME

An organization granted IRS 501(c)(3) status may not conduct its business in a way that would be "for profit." This includes the sale of items which are unrelated to its primary purpose in a strict sense of the word. It includes items which, if sold, create unfair competition for non-exempt, for-profit organizations and corporations such as local businesses and concessionaires.

In order to keep such activities to a minimum, a tax was imposed on the "unrelated business income" of otherwise exempt organizations. This tax limits the cost-effectiveness of those items, and must be paid in addition to sales tax.

As associations expand sales inventories, some items may be inappropriate to the interpretive objective, or may be subject to taxation as "unrelated business income." The tax on unrelated business income is directed to the issue of unfair competition. The tax-free status of IRS 501(c)(3) organizations enables them to use their profits "tax-free" to expand operations, while their competitors can expand only with the profits remaining after their taxes have been paid.

To determine whether an organization may continue its exemption status, special IRS forms (Form 990-T), must be filed annually. This form allows IRS auditors to examine a nonprofit corporation's operations. Unlike the regular Form 990, the 990-T is required whether or not the \$25,000 annual gross is reached. Penalties for sales of unrelated business items and failure to file a 990-T are similar to those of failure to file regular returns.

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MERCHANDISING METHODS GUIDELINES

Wholesaling/Bulk Buying

Wholesaling to other associations, and to park concessions and other commercial outlets, could be a method for reaching potential visitors. It assures increased sales, and can justify printing certain manuscripts not otherwise viable with park sales alone.

Credit Cards

Acceptance of major credit cards is suggested for all association outlets as a visitor convenience, and to encourage a broader distribution of interpretive sales items.

Mail Order Sales

Mail order sales can account for a substantial portion of the annual gross, and, at the same time, distribute information about the park in advance of visits, and to those who may be unable to personally experience the park.

Mail Privileges

Associations are eligible for bulk rate nonprofit privileges. All correspondence must use association letterheads and envelopes, and must comply with United States postal regulations.

Identification Sign

Every association outlet should have a sign that identifies the sales facility as a nonprofit activity of the officially approved cooperating association for the site. This distinguishes the outlet from a concession operation, explains the presence of sales personnel in a state facility, and conveys that funds derived assist the park interpretive program.

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VISITOR CONVENIENCE SALES

*California State Park And Recreation Commission
Policy Number 30: Sale of Commercial Products By Personnel
of the Department of Parks and Recreation (Amended 11-4-83)*

Where appropriate commercial products are for sale in units of the State Park System, they shall be offered only through concessionaires.

Sale of products by personnel of the State Department of Parks and Recreation and approved cooperating associations shall be restricted to items that are of value to the units in interpretation of the State Park System to the visiting public, or for the public's safety, health, or welfare.

Visitor convenience sales by Cooperating Associations

When the department determines that it is necessary for the comfort and convenience of park visitors, and concessionaires are not currently providing such services, the department may ask a cooperating association to sell visitor convenience items.

District superintendents must take the necessary steps to ensure that sales of visitor convenience items meet the intent of Policy 30.

The following applies:

1. Except where a compatible sales arrangement can be established or is now working, it is not in the public interest for a concessionaire and an association to carry on duplicate, competitive operations in the same park unit.
2. It is in the public interest for visitors to have easy, ready access to educational/interpretive materials -- especially publications. In some cases, associations have produced materials indigenous to the parks in which they operate, such as books, postcards, slides, films, and video cassettes. They should be encouraged to wholesale these materials to concessionaires at appropriate discounts.
3. Visitor convenience items and related merchandise, such as unexposed film, may not be handled by association outlets, except under conditions stated in items 4 and 5 below.

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4. In seasons when concession operations are closed and an agreement can be worked out with the concessionaire, and in isolated locations where no concessionaire or other commercial outlet is readily available, associations may be requested to offer convenience and related merchandise to enhance the comfort and enjoyment of visitors.

5. Associations may not be authorized to sell convenience and related merchandise until and unless any right to additional service of a concessionaire have been fully respected under the terms of a concession contract.

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PUBLICATIONS GUIDELINES

Associations are encouraged to carry a variety of publications on the park interpretive theme(s), other parks, and the department in general. This includes books, maps, folders, posters, art prints, and other material produced by DPR's Publications Office, trade (commercial) publishers, and the associations themselves.

The department will support the official publication program of the DPR Publications Office. Associations may also support the DPR Publications Office by purchasing their sales items from this office.

To provide visitors with appropriate high-quality literature, the district superintendent must approve ALL publications sold and distributed to the public.

State-Provided/Official Publications

All sales publications produced by the State Department of Parks and Recreation are sold by the Publications Office. Every effort should be made to coordinate pricing between associations to prevent complaints from customers traveling from one park to another, and to avoid criticism of association policies. Do not deliberately undersell private retailers. The goal is to make interpretive material available to visitors at the best possible price.

Association-Provided Publications

One of the primary association functions is to supplement the official DPR publications program; that is, to provide visitors with appropriate high-quality, informational literature not otherwise available through the department. Subject matter not specifically addressed by department publications and unavailable from trade publishers should be considered for publication by the association. Such a publishing program offers numerous advantages: total quality and content control; design control; control of revisions and reprints; bargaining power on costs; financial returns; and consistent and rewarding contributions to the department.

Publications For Disabled Visitors

It takes little extra effort to convert an association publication into a useful tool for disabled visitors. Keep the disabled visitor in mind when preparing trail guides: use the wheelchair symbol; provide information on facilities; offer warnings on danger areas.

Foreign Language Publications

Associations are encouraged to produce foreign language versions of their publications. As the percentage of non-English-speaking visitors continues to increase, it becomes more important to provide them with adequate interpretive materials.

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Postcards

All postcards carried or produced by associations should be of the highest quality, and carry an interpretive message.

Audio/Visual

Slides, slide strips, videotapes, and movies are very popular interpretive items. They are clearly appropriate, but not always an exclusive of the association.

Park Newspapers

Associations may accept support from the department and park concessionaires, as well as provide support to the park, for park newspapers. (Policy: Paid advertising by concessionaires and/or business firms is permitted only with approval of the district superintendent.) Announcements of concessionaire-sponsored events, services, and facilities, and reviews of association sales publications/items, are acceptable.

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GIFTS AND LOANS

Ownership Of Items

Items owned by the association that are used for park operation will be formally gifted or loaned to the department. Any exception to this policy requires the prior approval of the district superintendent. The existing DPR gift/loan agreement (DPR 414) will be used. This agreement requires the district superintendent's approval prior to acceptance of the gift/loan. Any item valued \$15,000 or more also requires the approval of the State Department of Finance (DAM 0942.4).

The gift/loan agreement will include the terms of use and/or display of the item, including the location of the item.

The association has the responsibility to inform any donors that items donated to the association are not donations to the State of California, unless expressly designated as gifts to the state.

Association Property

Gifts of personal property accepted by associations will not be stored or displayed on state park property without the written approval of the district superintendent. Transactions involving objects to be used for interpretive display will comply with department procedures. The objects will be accepted by the department as a gift or loan, when accompanied by the proper documentation.

Collections Management

Interpretive objects acquired by the association should be managed and preserved in a manner consistent with DPR policy. Volunteers are often involved in handling, cataloging, and other activities with DPR interpretive collections, without training or knowledge of proper methods. There is the risk of losing irreplaceable resources. Community ill will is risked if objects are mismanaged, sold, or allowed to deteriorate.

All interpretive objects considered for exhibition on state park property must have an approved plan for use before installation.

DPR interpretive objects or records should not be handled without appropriate training.

Basic records should be kept that identify one object from another, along with the source of the object, and the date acquired.

Interpretive objects acquired by the association cannot be sold without offering first right of refusal to DPR. Objects that are acquired for interpretive or educational purposes should not be sold without following proper deaccessioning procedures.

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Museum Collections Management Handbook

The Museum Collections Management Handbook contains current procedural policy for management of interpretive collections by the State Department of Parks and Recreation. It includes procedures for acquisition, registration, preservation, and disposition.

Use Of Equipment/Items

Any item used or displayed on park property, or in any event or program outside the park, that represents the department will have approval of the CAL, prior to use.

Maintenance Agreement

A plan for the responsibility and schedule of short- and long-term maintenance must be completed prior to accepting the gift/loan.

Association Inventory

Associations are strongly advised to inventory all possessions. This procedure will assist associations in calculating the assets of the organization for financial purposes.

Department Assistance

The interpretive specialist is available for assistance regarding purchase of appropriate audio-visual and other interpretive equipment. Contact the district superintendent for more information.

Examples

Guideline

The following forms are used to document gifts or loans.

Gift/Loan of personal property:

- DPR 922 Gift or Loan of Personal Property

Museum objects only:

- DPR 925 Deed of Gift
- DPR 926 Loan Agreement