

# The Montgomery County Christmas Store Policy on Buyers and Credit Cards

## **BACKGROUND:**

The Montgomery County Christmas Store (“Store”) was established to provide families identified as needy by the county’s welfare agencies with food, clothing, toys, and gifts during the Christmas season. To fulfill this mission, the Store accepts monetary donations as well as donations of food, clothing, toys, and gifts. The Store is a non-profit organization as described in Section 501(c)(3) of the *Internal Revenue Code* and is exempt from federal and state income taxes.

The Store is organized into several departments. The departments stock the shelves by purchasing merchandise throughout the year to be given away to the clients during a week in December. To accomplish these purchases of merchandise, each department has an official buyer or buyers who work diligently throughout the year to acquire high-quality items while maximizing the funds available.

Maintaining the trust and confidence of donors and the public is essential for the Store to carry out its mission. Accordingly, this policy stipulates the expectations and responsibilities of official buyers and other volunteers who purchase merchandise for the Store and procedures to be followed in order to assure the community that the Store buyers operate with integrity and transparency.

## **POLICY:**

### **1. The Store authorizes official buyers to purchase merchandise.**

- All prospective buyers are recommended by the department chairperson. Departments are encouraged to have at least two official buyers.
- All buyers must be approved by the New Goods Coordinator and the Store Treasurer.
- All buyers are issued a Store credit card and are expected to follow the procedures detailed in section 2.
- Only holders of Store credit cards qualify as approved buyers.
- Buyers may shop throughout the year to take advantage of sales.
- Buyers should always use the Store sales tax exemption number/forms to avoid paying state sales tax. (Exceptions may apply with some online and big box vendors.)

### **2. Buyer credit card procedures**

- The credit card system simplifies the procurement/disbursement process.
- The buyer is issued a Store credit card embossed with his/her name.
- The buyer maintains custody of the credit card and is expected to safeguard it.

- There is a limit of \$999 for a single purchase and a monthly limit of \$2,000 unless written pre-approval is obtained from the respective department chair, and the New Goods Coordinator or Store Treasurer. This can be done electronically.
- Each buyer ***must retain a log and copy*** of all sales receipts. The bookkeeping service receives from the credit card company the master billing. The bookkeeping service will retain the buyers' sales receipts and other required forms in a separate file for each store buyer for their charges to be matched with the master billing.
- The buyer submits credit card sales receipts to the Store's bookkeeping service within 10 days of the purchase completion. This time frame is determined by the bookkeeping service in conjunction with the Store Treasurer. **Electronic submission is acceptable and encouraged.** Failure of a buyer to follow the bookkeeper's procedures and deadline for submitting matching receipts may result in revocation of the buyer's card.
- The bookkeeper, New Goods Coordinator, Treasurer, finance chair, or department chair **may** review purchases and submitted sales receipt documentation to insure that all purchases are appropriate and no prohibited items were purchased.
- The credit card may **only** be used by the cardholder whose name is embossed on the card. No other person is authorized to use the credit card. The buyer is responsible and accountable for all transactions that occur on his/her credit card. The buyer may make purchases for other staff within their department when permitted by the department's chair or New Goods Coordinator.
- If a Store credit card is lost, stolen, or misplaced, the buyer **immediately** must notify the credit card vendor at **1-866-552-8855** and the Store Treasurer. The buyer is responsible for reporting all information necessary to reduce the liability to the Store resulting from a lost or stolen credit card.
- The buyer must respond to fraud alerts from the credit card company. Under the current procedure, the credit card company calls the Store Treasurer to alert the Store to suspected fraudulent activity and places a hold on the credit card in question. The Store Treasurer notifies the respective buyer, and the buyer is responsible for contacting the credit card company to verify or complete the purchase.

**Failure to follow any of the above procedures may result in a buyer's Store credit card being revoked.**

**The credit card is to be used for authorized Store purchases only. The credit card must not be used for personal purchases. Unauthorized use will require immediate reimbursement to the Store and may result in revocation of the credit card and potential criminal prosecution.**

### **3. Other payment requests - Official Store buyers only**

If the vendor will not accept the credit card, the buyer shall be reimbursed in timely manner after submitting proper receipts to the bookkeeping service along with a written explanation of what occurred. The buyer must also notify the department head.

**4. Other reimbursement requests – Non-buyers only**

- This section applies only to staff volunteers who are not official buyers and do not have a credit card but will occasionally be called on to buy supplies for the Store.
- Purchases by volunteers (who are not buyers) must be pre-authorized by the respective department chair/administrative office or MCCS board member in order for the volunteer to be reimbursed. After making a pre-authorized purchase, the volunteer shall be reimbursed by the bookkeeping service in a timely manner after submitting proper receipts. Purchases by volunteers that do not have the required pre-authorization will not be reimbursed.

**5. This policy will be posted on the Store's website.**