

The Montgomery County Christmas Store Policy on Restricted Gifts

BACKGROUND:

The Montgomery County Christmas Store (Store) was organized to provide families identified as needy by the County Welfare Agencies with food, clothing, toys and gifts during the Christmas season. To fulfill this purpose, the Store accepts monetary donations as well as donations of food, clothing, toys, and gifts. The Store is 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 occasionally accepts monetary donations that the donor restricts to be used in a certain manner. While most of these donations relate to an existing Store department, an occasional gift might be restricted for a new program or to expand an existing program. Also, a donor might earmark their donation for an administrative or a building maintenance item. Occasionally, "strings" may be attached that cause a donation to be difficult or impossible to accept.

The Board of the Store has a long-time history of accepting restricted donations for certain items to enhance a department's budget. An example would be donations for bicycles, helmets, or child car seats. The Store does not budget for these items in the operating budget, but through some donors' generosity, funds have been available for these items annually.

The Board also receives "grants" from several community organizations for funds to be used for specific needs. These donations vary from year to year and must be accounted for separately.

POLICY:

1. The Store will continue to accept and account for monetary funds for restricted items as long as the following criteria are met:
 - The donation clearly meets the mission and integrity of the Store and supports its core program.
 - Any new restricted donation not in line with an existing department purpose or that expands a certain program will require Board approval before the donation can be accepted.
 - The donation does not have any "strings attached" that would make the donation difficult to administer or account for.
 - The donation meets all federal and state guidelines regarding gifts to non-profit organizations.
 - Any grant requiring follow-up accounting and administration requirements will be treated as restricted.
2. Only Store buyers are authorized to procure merchandise utilizing Store funds. Store buyers are defined and required to operate under the Store policy and guidelines for buyers.
3. Any restricted gift or remaining balance not used within a two-year period will be moved to the Store's operating budget.
4. This policy will be posted on the Store's website.