Society of
St. Vincent de Paul

NEW STORE STARTUP MANUAL

For beginning a successful
St. Vincent de Paul Store

SOCIETY OF ST. VINCENT de PAUL
COUNCIL OF THE UNITED STATES
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## Introduction

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Society of St. Vincent de Paul
Thrift Store Mission Statement

St. Vincent DePaul Thrift Stores throughout the United States are mutually formed in an association of lay employees and volunteers dedicated to serving our needy sisters and brothers. All who come to our Stores are welcomed with dignity and respect. Our hope is they leave as friends and return to shop with us again. Those who cannot afford the clothing, furniture and other household items are provided them through a Vincentian referral system.

Customers, employees and volunteers are treated equally without regard to race, color, creed, age, gender or national origin. All, including the disadvantaged, handicapped and persons with special needs, are employed so that we may all benefit from the talents and abilities of everyone seeking employment.

Serving Christ’s needy is the primary goal of all St. Vincent DePaul Stores. In this ministry, we pledge to use sound business practices. Surplus funds will be dedicated to the support of Parish Conferences and charitable causes of the Society approved by our Councils and Boards of Directors.

"You are the servant of the poor . . . . They are your masters, and the more difficult they will be, the more unjust and insulting, the more love you must give them. It is your love alone that the poor will forgive you the bread you will give them."

St. Vincent de Paul, 1581-1660
INTRODUCTION

The Purpose of The New Store Startup Manual Is Three-Fold:

1. To provide guidelines and recommendations for both new Society of St. Vincent DePaul Thrift Stores, recognizing that to be successful in our mission of charity, we must adhere to sound and fundamental business practices.

2. To examine all present methods of operation to determine if they are in keeping with the goals of the Catholic church and the Society of St. Vincent DePaul.

3. To initiate changes where they may be needed to bring about a clearer understanding of our mission and a new spirit of service and friendship for those whom we serve in our communities.

"The body is one and has many members, but all the members, many though they are, are one body; and so it is with Christ. It is in one spirit that all of us, whether Jew or Greek, slave or free, were baptized into one body, . . . if one member suffers, all the members suffer with it; if one member is honored, all members share its joy. You, then, are the body of Christ. Every one of you is a member of it.”

(Cor 12:12-27)

As Catholics we have been invited to explore the connection between our faith and the lives we live as Christians in society. Since the first social encyclical written over one hundred years ago, Pope after Pope has addressed issues some would term purely social or political or economic. The Church has seen those issues as moral and religious. It is not only appropriate but essential that Catholics be involved in working for social, political, and economic justice.

This is not an optional or peripheral part of our faith nor is it a new idea. Rather it is at the heart of our faith and is deeply rooted in the Gospel. As Christians we are a community of people who have a mission to transform the world on behalf of justice and human dignity. The faith we profess is a profoundly social faith, which requires us to show love to others not only in an individual sense, but also socially, by working to make social structures and social institutions more just.

The thoughts in the preceding paragraph were taken from a pastoral letter on social justice titled 'Reviving the Common Good.' It was written by John R. Roach, Archbishop of St. Paul and Minneapolis, Minnesota.

Archbishop Roach has stated it is essential and not an option for Catholics to be involved in working for social, political and economic justice. The American Manual of the Society of St. Vincent DePaul is titled The Society — What It Is. It expresses clearly to all Vincentians, "The Society of St. Vincent DePaul is an international Catholic organization of lay persons, who seek, in a spirit of justice and charity and by person-to-person involvement, to help those who are suffering," and again. "It tries not only to alleviate poverty but also to discover and remedy situations which cause poverty. It does not and will not hesitate to take unpopular stands in order to obtain justice and combat the alienation of the poor."
Introduction

It follows then that justice and charity are inseparable. We Vincentians have made a 'commitment to compassion' to our poor sisters and brothers. As we perform works of charity we must also work to make social structures and social institutions more just. The Society has the resources and strengths of its members for 'reviving the common good.'

Society of St. Vincent de Paul Thrift Stores are well known for their service to the poor. The stores are the most visible sign of the Society and for many poor and hurting people, a place to receive not only the goods they need, but also a place where compassion, friendship, love, and a smile are freely given to one and all.

This New Store Startup Manual is an effort by many to provide not only the 'how to' but to go beyond essential business practices and present essential Christian values and ethical behaviors necessary in the work we do. Because we have presumed to serve the public good we also have assumed the public trust. We believe in the values and ethics of our St. Vincent DePaul Society and must have a constant commitment to these behaviors.

Thoughts and ideas about ethical behavior can be found in the referenced websites. These websites reference the thoughts and ideas of many individual in the nonprofit sector and can be very helpful in forming your overall approach to the thrift store endeavor. They have stated that ethical behaviors and values are the essential values of society and it is right for us to model them. We, therefore, encourage every Vincentian, store employee, volunteer and manager to become part of an ongoing process to heighten our own and each others awareness of the importance of ethics and values in our conduct in serving the poor.

This manual has been updated and provided in electronic form to make it more accessible to Vincentians. A few tips about the new New Store Startup Manual format are in order.

1) You can navigate to any section of the document by holding the Ctrl button, move the mouse over the section in the Table of Contents (TOC) and clicking the left mouse button.

2) Many of the sections have been replaced by links to web pages that contain much more timely information than could be place in this document.

3) There is an accompanying documents to this manual that contain resource material on the National Stores Committee website at: www.svdpusa.net/stores . You will need a loging to this site, which can be provided by your local council office.

The National Stores Committee was formed to assist stores in the Unites States to become more effective operation. The preceeding spiritual reflection gives a foundation for the stores operation. It is also essential that good business practices be followed to make store profitable as well as a source for goods to the needy. The following provides additional information on the Nationals Stores Committee

St. Vincent de Paul National Stores Committee:

The National Stores Committee was established by the trustees of the Society of St. Vincent de Paul at the 1990 business meeting in Buffalo, New York.

The National Stores Committee is composed of two representatives from each Region, appointed by the Regional Chair. The National President appoints the Chair of the committee.

Their first goals were:
1) Publish a newsletter at least four times a year.
2) Write a Mission Statement for all stores people.
3) Publish a Store Manual.

Goal number 1 was appropriate when there was a quarterly newsletter. This has been replaced with the email weekly Frederic’s eGazette and articles are published as needed. Goals 2 and 3 were completed and the Store Manual is available from the national office. The current Stores Committee was formed in September 2005 with the election of our new National President, Joe Flannigan.

Workshops at Midyear and Annual Meeting

In the past the National Stores Committee sponsored a full day of workshops at both the Midyear and National Assemblies. The Midyear Assembly has been changed to a business only meeting so these workshops have been eliminated. The workshops are held on the Wednesday prior to the start of the National Assembly. A sample of these topics are: merchandising, employee relations, OSHA rules, safety, spirituality of stores, human resources, rules and regulations, paid vs. volunteer stores, advertising, wholesale clothing, recycling, employment law, hiring practices and many others.

Annual Report of Stores

The National Stores committee has been responsible for collecting the annual report data from store operations, consolidating a report for the National Office. This report demonstrates the good that is done by the stores throughout the country. It is also part of the accountability of the structure of the National Office of the Society of St. Vincent de Paul. This information is also critical to the National Office when reporting the activities of the Society, applying for grants for use by the organization, being an advocate for the poor and working with governmental entities on rules that govern nonprofit organizations. The Stores Annual Report is now integrated into the National Annual Report as a Special Work. The National Stores Committee is still responsible for the makeup of the Stores Annual Report and thus is always reviewing the contents to improve the data collection. Constructive feedback on how to improve this report is greatly appreciated. Please contact your Regional Member of the National Stores Committee.

Stores Reviews

The stores reviews was set up to help pay the travel expenses of stores committee members or stores professionals to visit other store operations for the purpose of assisting them through a difficult time or to give general help in store operations. In order to have a visit the requesting store must go through their local National Council Member, who in turn will make a request from the Regional Chair. The Regional Chair would then make a request to the stores committee. After the visit the person who makes the visit will then submit a report to the requesting store and Stores Committee. It has been extremely successful.

Stores Startup Manual and Stores Operation Manual

The National Stoes Committee made a decision to separate the Stores Operation Manual into two documents:

1) Stores Startup Manual
2) Stores Operations Manual
These manuals include very helpful information on starting a new store, accountability, employee relations, legal requirements, store policy examples and many other topics.

**Stores Startup Fund**

A fund was set up by the National Stores Committees to assist Regional Chairs in setting up new store operations. This fund was established to assist in establishing store operation to assist new District Councils as part of the extension programs instituted by the Regions.

**Meeting Travel**

This is a budget item that was set up to assist store directors/managers in attending the workshops at the National Midyear meeting. These workshops have proven to be very helpful to the attendees. The other very useful aspect of the Midyear Meeting is the opportunity to talk to other stores professionals.

**Collaboration With National Disaster Committee**

The St. Vincent de Paul Stores are a key front line resource in case of disasters. The National Stores Committee collaborates with the National Disaster Committee to provide disaster relief throughout the United States. The most recent demonstration is the stores response to hurricanes Katrina and Rita. The St. Vincent de Paul Thrift store in Austin, Texas was instrumental in starting the House-In-A-Box program during the fires that occurred in Bastrop, Texas in 2011 and again in the fertilizer plant explosion in West, Texas. The Disaster Committee then took the model for this to the National level. There numerous other examples of where thrift stores help in coordinating relief with the National Disaster Committee.

With the dissolution of the National Stores Committee Special Fund, local store disaster such as fire, wind, storm damage, etc. the National Disaster Committee is committed to assist with assistance in getting back up and in operation as quickly as possible.

Thanks to all who have contributed to the preparation of this store manual. We intend to keep it current making changes and additions as needed.

James A. Boe

Updated by Ray DuPont

Chairperson, National Stores Committee Society of St. Vincent DePaul
ETHICS AND THE NON-PROFIT SECTOR

Ethics of an organization is key to its survival, especially in the non-profit sector. Below are some references to websites that cover this subject and are well worth the time to review and gauge your organization against these principles.


http://www.ssireview.org/articles/entry/ethics_and_nonprofits

http://www.scu.edu/ethics/dialogue/candc/cases/fundraising.html

Also see the Appendix in the Stores Operation Manual; it has detailed reference information on the subject.
Section 1: The Store Committee

**SECTION 1: THE LOCAL STORE COMMITTEE**

The SVDP Council having jurisdiction and responsibility for one or more Thrift Stores forms the St. Vincent de Paul Society Store Committee. The primary responsibility of the Committee as given by the SVDP Council Board of Directors is to set policies and goals for store operations. Success of store operations depends on good communication and adhering to the chain of command of Council, Store Committee and Store Management. The Committee does not become involved in day-to-day operation of stores.

It must be clearly stated to all employees, volunteers and members of the Society that the purpose of stores is to care for the needs of poor sisters and brothers and to operate using sound business practices. The SVDP Council, Conferences and Stores are mutually dependent! Successful stores contribute surplus funds to the Council to be used for Society approved programs.

**Composition and Size of the Store Committee**

Members of the Store Committee are selected based on their belief in the need for Christian Charity and knowledge of business and retail experience. It may be desirable to ask persons outside the Society to serve on the Committee if they have the necessary experience and share in the goal of service to the poor. The chairperson should have organizational skills and a strong background in the above areas. The size of the Committee will depend in part on the number of stores to be served but usually five to ten members is sufficient to make sound decisions.

**Terms of Members**

Length of service will vary but usually terms expire when the Council President leaves office. A plan for continuity is recommended. The new President may ask members to remain on the Committee. The important thing is to have an active Committee looking for new ideas and new approaches to problem solving. The Committee should meet regularly, maintain open communication with the Council and not grow stagnant or become complacent. New members should be sought to replace those who have left or where new vitality is needed.

**Duties and Responsibilities In Conjunction With Store Director/Manager**

- Set policies and goals for Store operations
- Develop a business plan for the stores and review at least annually
- Prepare an annual budget in cooperation with store management and submit to the Council Board of Directors
- Identify with management the goals for the year and incorporate into the annual budget
- Plan with management the calendar of promotions, special events and special works such as: Summer sales, $.99 Coat sales, Bundle sales, Half-price sales, wearin’ of the Green sales, Spring Clothing sales, etc.
- Institute the use of a personnel manual for all SVDP employees
Section 1: The Store Committee

- Insure performance reviews are made for all employees annually
- Set policies for free distribution to individuals, conferences or other agencies; use a referral system
- Establish principles of honesty for all store personnel
- Ensure monthly, quarterly and annual reports are made to the Council, Bishop, National Office of the Society and others as required
- Institute hiring policies in accord with the Americans With Disabilities Act (See section on Government Regulations)
- Provide a barrier-free environment for the handicapped (See section as above)
- Chairperson should provide a copy of meeting agendas in advance of meetings

**Store Committee vs Director/Manager**

A critical item is to establish boundaries between the Store Committee and Store Director/Manager. The Store Committee sets policies and evaluates the Store Director/Manager on the execution of the policies. The Store Director/Manager manages the day-to-day operation of the stores and manages the people employed or volunteers that run the store. It is critical that the committee not interfere with the managers duties.

The Society of St. Vincent de Paul Thrift Store is a special work of the Society. Stores should be neat, clean and attractive and should project the Vincentian goal of service to those in need. We must continuously nurture the seeds of charity that have been planted!
SECTION 2: OPENING A NEW STORE – A REAL LIFE EXAMPLE

Contact: Prentice Carter, Director Operations, SVDP Cincinnati District Council, 513-345-1760, pccarter@svdpcincinnati.org

Cincinnati Stores – A Real Life Example

Subject: Considerations for Opening a New store

1. Open it and they will come, maybe. The thrift-store industry has been a growth business for years, most notably during the recession years. Too many people are strapped for income and thrift stores can stretch a dollar. People will go out of their way to find a bargain. If you pick a location where people traffic is sparse expect your retail business and donation drop-off supply to be the same. Over time you can grow your retail business providing you have a large standing inventory to draw from, an advertising budget to tell people where you are located, and a cash reserve large enough to sustain overhead costs while you grow a strong customer count and donation sources.

   a. We started a store in an industrial area 10 years ago. The location serves as our warehouse/truck terminal and Stores Admin Offices. It took us 2 years to build the retail sales up to $500,000 per year. The store building was used for warehousing and retail allowing only 14,000 sf for retail. Over the years we have expanded the retail floor to 19,000 sf by moving warehouse processes to neighboring buildings. After 10 years our sales have grown to $1.8 million per year; however our donation drop-off supplies less than 30% of inventory requirements. The store depends on donations brought in daily by our route trucks, donation boxes, and from excess inventory supplied by our other stores. The store is a shopper destination point but lacks the variety of traffic (variety of donors) to be a donor destination point.

   b. Customers will eventually find an “out-of-the-way” location and return to shop at a well-stocked store where the inventory changes frequently enough to make the trip worthwhile. People who know and support our mission will also go out of their way to drop off donations. However, our experience is 60% of our donors will donate to SVDP providing it is convenient. Many donors do not distinguish us from Goodwill or Salvation Army and typically do not want a receipt. Many want to avoid throwing out something useable,
and feel good about giving it to someone who can use, but many donors will not spend a lot of energy donating; preferring to stop and drop at the “first good cause” they see.

2. Conversely, pick a location where the people traffic is dense and you’ll likely experience a large number of shoppers on opening day. Do some pre-opening publicity/advertising and you will likely start receiving donations before you open the doors for business? Obviously the price of a retail location is congruent with the number of people passing, income level in the community, etc., but there are a lot of lower-cost opportunities available. The search demands research and patience.

3. Two things are important to your location: Donations and People traffic. You must consider population density and the demographics likely to bring donations. The income levels in the areas surrounding your location are directly related to the volume of donations you’ll receive. Locate in a poor neighborhood and you’ll receive “poor donations”.

4. Pick a location that will afford a donation drop-off point and mark that point with signs directing traffic. For example, the end-unit in a shopping plaza where vehicles can drive up and drop off. If there is no door, negotiate cutting a door in, if feasible. Plan on staffing the door with a donation attendant. Keep the attendant busy when not receiving donations by setting up a work station where he/she can sort, price, etc.

5. Think about the donor service you can provide, e.g., meet the donor at the car with a receipt in hand (Goodwill does it); customer service is the best way to develop repeat donors. Advertise our mission and you will win over many of the “first-good-cause” donors once they learn how we help the less fortunate in our neighborhoods.
   a. Consider zoning restrictions.
      i. Go to the local zoning office to assure you can do business at the desired location.
      ii. Zoned for retail?
      iii. Because you will retail and process textiles, is a fire suppression system required? Square footage typically determines if sprinklers are required, but so may the type of business you’re conducting; textiles are usually categorized as a higher risk for fire.
iv. Previous use (business of past tenants) may not exempt you from current life-safety, disabled access, etc. Leasing to start a thrift store may be perceived as a change-of-use forcing you to meet all current code requirements. This can be prohibitively expensive, so do your research.

v. Can vehicles drive up and drop off donations?

vi. Are there zoning restrictions on the size of the “back room” where you will process and store donations? Many areas limit the size of the back room in retail zones as a measure to restrict warehousing and industrial processing in a retail zone.

vii. If you plan to bale clothing in the back room, is it allowed by zoning?

viii. How will your transport baled clothing out of your store? Do you have a loading dock, the capability to lift, move, and load bales?

ix. Does the building have sufficient power dropped in to run a baler, for example many balers require 220/240 voltage.

b. Once a location is picked, and you are leasing, be mindful of how many years you are contracting. Try to build in an escape clause into your lease, e.g., if costs exceed revenue you can terminate the remainder of the lease. Conversely, if you’ve selected a winning location but only signed for 3 years with no re-sign options, you may be forced out. Seek expert help when signing a lease, there is a lot to understand.

c. If leasing understand build-out, alteration costs, someone is paying. Either you pay up front and negotiate the best price per square foot, or the landlord pays by adding the build-out cost to your leasing cost, spread out over the length of the contract.

i. When leasing negotiate who is paying for common area maintenance, property taxes assessed on your space, and maintenance of the interior space; including heating and air conditioning systems (HVAC). Be cautious, some landlords expect you to completely replace HVAC units. Verify the age and working order of these units prior to signing the lease. Try to avoid a requirement to replace units, at most agree to repair up to a stated degree or dollar value. Replacing units can cost thousands of dollars. We have replaced units at the cost of $25,000 each.
6. Negotiate time to build out your store. A build-out includes any construction work needed for the interior, installation of store fixtures, and stocking the inventory.

   a. Assure the space conforms to ADA (American Disabilities Act) requirements, e.g. the doors are wide enough for wheel chair access, ramps exist where needed, bathrooms meet handrail standards, etc. Otherwise, you may be forced to pay for compliance alterations after you’ve signed the lease.

   b. To assure businesses meet local building codes, zoning, and life-safety regulations most local governments require you to obtain pertinent work permits while demanding you provide drawings of your floor plan, details of the build-out, how fixtures will be positioned, egress plans, points of egress, emergency lighting, etc.

   c. Expect to pay fees for required permit(s). Procure all required permits before you begin the work, otherwise you may be ordered to stop work and be fined for violations. Once the work is complete and the store is stocked you must request an inspection(s) to obtain a Certificate of Occupancy (or something of a similar name). Expect the inspector to find items to replace, repair during this inspection; allow time to fix the last minute discrepancies. While conducting the build-out it is good practice to request inspections as the build-out progresses assuring you are adhering to requirements. Take time to understand what is required by your local code and zoning office. If you do not meet code, zoning, and life-safety regulations you may find the store shut down just after you open. If someone is injured and you lack a certificate to occupy, SVDP leadership may face criminal charges.

   d. Store size: Suggest a minimum 10,000 sq.ft. store, using no more than 10% for processing. Get a store with high ceilings; stack up, not out. A loading dock is ideal, and dock-height trucks yield the most operating efficiency. Otherwise consider how you will off-load donations from the truck picking them up, e.g. a power lift gate on truck, additional time and labor, etc.

   e. Consider your inventory on hand. Simple thrift store physics states:
      1. More Stuff = More Customers=More$$
      ii. Very simple formula, but the hard part is the execution. If your have a lot of inventory on the sales floor, and you continue to refresh the inventory (complete rotation) periodically (e.g., 4 weeks for stores less than 10,000sf, 6 weeks for stores 15,000+sf), you will build a
strong customer base and strong $$ sales. Thrift store customers want bargains, a variety of goods, and something new to buy each time they come to your store. If a customer sees the same clothing hanging each time they visit, they will soon find your competitor.

iii. DO NOT OPEN A STORE IF IT IS NOT FULL OF INVENTORY. If you don’t have enough selection many of the first-time customers will not return, going to your competitors instead. DO NOT OPEN A STORE IF YOU DO NOT HAVE ADEQUATE INVENTORY RESERVES, OR AN ESTABLISHED INVENTORY STREAM LARGE ENOUGH TO FULLY SUPPLY THE SALES FLOOR INDEFINITELY! The size of your store should be scalable to your existing and anticipated donation supply. Visit your competitors and other SVDP stores to learn.

iv. Ideally, starting on opening day the store will receive enough drop-off donations to keep the store fully stocked. However, most store start-ups are not ideal. It takes time for the business to grow, the donation drop-off business and the retail sales business. It may take years, if ever, to build a donor base large enough to sustain the retail sales of a successful store. That is why you must have other donation sources (e.g. trucks picking up from homes and businesses, a network of donation boxes, etc.) large enough to sustain the early years of your operation.

v. Use every square foot of the store productively. Remember, every square foot is costing you money!!

vi. Determine the DOLLAR yield you’ll need to make a profit. Divide your fixed COSTS (e.g. building cost, and equipment) and variable costs (i.e. estimated labor, utilities) by the square feet of the store. Before you start operating, determine how many square feet are devoted to actual retail sales and keep working to maximize retail sales space.
vii. Look at other stores (SVDP/Goodwill/for-profit thrifts) operations to determine comparable inventory need for your start-up. For example, note how many garments are hung per linear foot and the average price of each item. Do the same for household goods, look for the number of items and respective prices in a linear or square foot of shelving or floor space to determine an average dollar yield for that space. Now think about how often the inventory in that square or linear foot has to turn to generate sufficient daily/weekly/monthly, revenue to pay the bills and make a profit. Consider fixed costs (lease/purchase cost) and variable costs (labor, utilities, supplies, etc.)

viii. Determine the labor positions, and respective hours, needed to operate, e.g., donation sorters, floor clerks, people who price hard goods, cashiers (how many register points?), mangers, etc. How will you keep the store clean?

ix. Set up workstations for processing donations. Make it a rule to minimize the amount of times you handle the same item. Think about the flow from your donation door to the retail floor.
x. Investing in a walk behind lift-stacker, wire storage containers or Gaylord boxes and pallets, this investment will pay back quickly. Horizontal storage of inventory wastes valuable square feet.

Collapsible wire carts use to store and sort products. Carts stack 18 high with collapsed.
xi. Maximize the sales floor where each square foot produces revenue. Make use of retail shelving, gondola (free standing shelving unit) and shelving attached to walls. Deep shelves, narrowing in width as the shelves ascend to the top of the unit, fixed four rows high (keeping height accessible to average customer) provides maximum sales floor yield. Consider how many additional square feet one unit of four-tiered gondola shelving provides.

xii. Use “H” racks (double-sided hanging racks) for clothing, arranged in line with aisles for customers between the rows of H-racks. Avoid the round racks you see in department stores, they take up too much square footage; department stores use them because their mark-up on new items is huge.

xiii. H-racks hold the most garments per square foot. For example, consider how many 5-dollar items can be hung in a linear foot (average of 12 garments) to calculate projected yield per square foot of h-racks in the retail sales space.

f. Furniture is a big and challenging part of our thrift store business. Think about where the furniture sales area is located. Furniture takes a lot of space and is labor intensive, so consider how pieces flow on and off the sales floor. Consider how many square feet of sales floor furniture consumes.
i. Furniture consumes a lot of horizontal sales space. Typically customers buying furniture must arrange for transportation, leaving the item on your floor for days.

ii. Consider implementing “buy-today/take-today discounts” to motivate customers to move it off the floor.

iii. If you are blessed with space, move the furniture item off the sales floor replacing it with another item for sale. A sold item sitting on the sales floor is costing you money.

iv. Give great consideration before providing furniture delivery for customers, delivery costs include truck opportunity cost (sacrificed donation pick-up due to furniture delivery requirement), truck wear, fuel, labor of typically two people, liability insurance for the damage your deliver team will cause at customer’s home (scratched floors, doors, etc.) and missed appointments (customer is not at home when delivery team arrives). Cincinnati stopped delivery in 2003, although charging $50 per delivery; we experienced no negative affect with continued long-term growth of furniture sales. Customers always find a way to get the item home.

7. 90% of Cincinnati’s furniture sales are supplied by donations picked up by our trucks, six days each week. We estimate an average charge of $120 per delivery is needed to match the revenue generated from the donations our trucks pick up. Most thrift store customers will not pay $120 for a delivery.

8. Order exterior signs once the lease is signed, signs can take longer than you expect to build. Get the signs up well before you open and use banners to say “coming soon”. Local code dictates the size and type of signs you are allowed to install. Signs are expensive but pay for themselves. Consider using LED lighted signs. Allow time to get the signs made.

   a. “St. Vincent de Paul Store and Donation Center” on your sign says it all! This is our branding in Cincinnati.
9. Advertise the new location is accepting donations before the store is open. Place a donation box there if possible. Consider paying to staff a donation point at the new location.
   a. With signs and advertising people will focus on your new location. You will actually receive donations to stock in the new store, and first-time donors may become regular donors.
10. Make absolutely certain you have an inventory flow large enough to stock a new store. Do not lightly stock a new store hoping for enough future drop-offs to sustain your inventory; it is not likely to happen.
   a. You will need another donation source large enough to stock the store
11. Consider installing alarm systems and cameras. Cameras are another “best investment” for robbery/theft deterrent (customers and employees), and for risk management. The price for camera systems has dropped drastically over the years. A good system covering all main interior and exterior areas, including the manager’s office and employee break area will pay for itself multiple times!
12. Interior lighting is hugely important to your business. Lighting is a necessary investment. Nothing will impede your business and repel customers more quickly than a dimly lighted store. If existing light is inadequate you must upgrade. If upgrading research the higher efficiency fixtures, your energy savings will pay back.
13. Don’t forget about the exterior lighting for the safety and security of your customers and employees.
14. Parking. Do not open a store without having sufficient parking for customers and enough space to establish a drive-up donation point. Donors want to donate without drama, the more convenient the drop the more likely they will return to donate. Consider many of your donors will not be customers, and many of your customers will not be donors. Make the parking and drive-through experience as stress-free as possible.
15. One rule for determining sufficient parking is four spaces per 1,000 square feet of retail; this does not include employee parking!
16. Thrift Store Stink. Used clothing, although looks clean, will likely have an odor. Once you have stocked your floor with used clothing you will likely detect an unpleasant “critter-odor”. We use mist sprayers to overspray clothing racks with a product named Odorban, (Sam’s Club). We spray throughout our stores daily to mask the collective used clothing odor. You can also mist spray diluted fabric softener or use Fabreeze (expensive). Bought in bulk, Odorban and fabric softener is the least expensive way to improve the customer’s shopping experience.
17. Visitors are always welcome in Cincinnati. We have had a number Vincentians visit over the years and the feedback has been positive.
   i. Every square/cubic foot is costing money and every square/cubic foot must have a measurable yield, maximize yield!
Collapsible wire carts use to store and sort products. Carts stack 18 high with collapsed.
Section 2: Opening a New Store – Example

Fleet of 10 Box Trucks
- Dock Height
- Lift Gates
- 21', 26' Boxes
- E-Track
- Paneled Box
- Diesel
- Automatic Trans
- Back-up Cameras
- Tracked by GPS
Section 2: Opening a New Store – Example
Section 3: Opening a New Store - A Manager's View

Opening a new St. Vincent de Paul Store and/or opening an additional store involves planning. A Planning Committee of at least three (3) but no more than six (6) should make the decision on what type of store. First you must decide if you are opening a store or distribution center for the needy or a combination of both. Once the members have decided on the type of operation, practical matters take over, the most important of which is who is going to actually run the store.

The size of the store should be based on your needs. A parking lot is needed for customers and overnight truck parking. Single-story buildings are best because hauling merchandise up and down stairs is backbreaking. Is the store going to be staffed by volunteers or paid employees or both? Regardless of paid or volunteer the Store Operation should have a procedures/policy manual and job description along with a mission statement. The National Stores Manual is a great tool to use. Do not hesitate to call people who wrote the sections if you have questions.

To help gauge store size the data for FY 2013-2014 was analyzed. The store sales square feet was varied in order to get at least 30 samples to make it statistically significant. Also some of the outlying data was removed. Even with the outlying data removed there was still a large deviation in the data, therefore the range of data after removing the outlying points is also included.

<table>
<thead>
<tr>
<th>Bldg. Size</th>
<th>Total Revenue / Sq. Ft.</th>
<th>Income Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 to 4,000 sq. ft.</td>
<td>Avg=$41</td>
<td>$41,000 - $164,000</td>
</tr>
<tr>
<td></td>
<td>Min=$15.21</td>
<td>$91,540 – $366,160</td>
</tr>
<tr>
<td></td>
<td>Max=$91.54</td>
<td></td>
</tr>
<tr>
<td>4,000 to 7,000 sq. ft.</td>
<td>Avg=$43</td>
<td>$156,000 - $234,000</td>
</tr>
<tr>
<td></td>
<td>Min=$14.87</td>
<td>$340,520 - $595,910</td>
</tr>
<tr>
<td></td>
<td>Max=$85.13</td>
<td></td>
</tr>
<tr>
<td>7,000 to 10,000 sq. ft.</td>
<td>Avg=$59</td>
<td>$324,000 - $432,000</td>
</tr>
<tr>
<td></td>
<td>Min=$18.20</td>
<td>$969,080 - $1,384,400</td>
</tr>
<tr>
<td></td>
<td>Max=$138.44</td>
<td></td>
</tr>
<tr>
<td>10,000 to 15,000 sq. ft.</td>
<td>Avg=$54</td>
<td>$408,000 - $510,000</td>
</tr>
<tr>
<td></td>
<td>Min=$15.36</td>
<td>$1,366,400 - $2,049,600</td>
</tr>
<tr>
<td></td>
<td>Max=$136.64</td>
<td></td>
</tr>
<tr>
<td>15,000 to 60,000 sq. ft.</td>
<td>Avg=$49</td>
<td>$470,000 - $564,000</td>
</tr>
<tr>
<td></td>
<td>Min=$17.97</td>
<td>$2,097,300 - $8,389,200</td>
</tr>
</tbody>
</table>
All the above stores are open six days a week and have one swing person for vacation and sick days. Volunteers should normally be used to hang and rotate merchandise.

**To Buy or Lease**

Some managers feel it is better to lease for 1 to 3 years before purchasing. However, that is not always possible. Once you purchased a building, it is yours. If you don't make it at that location, you are stuck trying to sell a building versus a lease. When you lease, you pay property taxes. If you purchase, chances are you can get it off the tax rolls — Check your local laws.

**Donations/Merchandise**

This appears to be the easiest to obtain. Some form of prior publicity will alert the community to your venture. The problem will be to establish a policy as to what you will accept. Lack of confidence in your policies will have you wanting not to offend those making the donations. In the beginning, you will probably accept almost any item offered. Soon the wisdom that has emerged at many of our sites will be self evident. You can only make use of marketable items, if not you will notice that you have no space to display.

Space is the most critical thing to be aware of. That is why most people donate. These items are taking up space at their homes or businesses. They are also interested in obtaining tax credits.

One of your major problems is getting rid of merchandise you cannot use. Many operations will send their excess merchandise to the dump every day or week. Others donate to larger operations. Those operations will bale the excess clothing to sell to the recycling market. Clothing is the largest excess to be concerned with.

**Methods of Receiving Donations**

1 — Scheduled Pick Ups
2 — Drop Boxes
3 — Bundle Sundays
4 — Drop Offs

All methods work or any combination of the above mentioned. The donation policy must be applied in all cases.

**Processing Operations**

A systematic neat display combined with frequent rotation of the goods will result in larger sales. In other words, do not fall in love with the merchandise, sell it.

Each store processes their own clothing and household items. The back room employees process donations from the truck onto the selling floor. Our largest store has a baler and all the baling of rags is done at that location.

We use color-coded tags. Every week the color changes. For example, from Sunday to Saturday, green tags are used for all items. On the following Sunday, the color changes to blue and all green tags are 1/2 off for that week. The process follows again by using orange tags next and blue 1/2 off and then yellow. After tags have gone through 1/2 off for that week
it means that article has been on the rack for 2 weeks. We then rag out all of that color tagged articles.

The tags are 2”x2” and are put on by a hand stapler. Our policy is if the tag is not on, it cannot be sold. It must go back to the back room processing and be re-tagged. This eliminates or controls customers from taking off the price tag to get the item cheaper.

The back room processing operation sorts, hangs and staples a color coded tag on each item and places it on a rolling rack. One person prices. The rolling rack goes to selling floor and is hung into proper area. Train 2 people in pricing items. This is necessary in case the pricer is ill or quits; you will have a back-up person.

Decide on a pricing structure for clothing, linen, furniture and household items. This should be used as a guideline in your Store Operations.

Example:

<table>
<thead>
<tr>
<th>Ladies Blouse</th>
<th>Good</th>
<th>Better</th>
<th>Best</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.90</td>
<td>$1.50</td>
<td>$2.00 &amp; up</td>
</tr>
</tbody>
</table>

This whole operation process must be thought through carefully before opening a store. Calling other St. Vincent de Paul Stores and visiting a stores operation first is helpful. It will tell you what you want but also what you do not want.

**Customer Relations**

Good customer relations are the key to a successful business, as are good employee relations with management. This area should be covered in your policy employee manual.

**Phone Pick-Ups (Dispatching)**

A people-person is best to answer phone pick-ups on a computerized system or manually. The advantage of computers is the records are right there and can be backed up on disk and tax receipts are printed on the computer. Manually you will have to hand write each tax receipt. Space will then be required to store these records of pick-ups. A copy of our computerized tax receipt:

**Vouchers**
Who's Going to do the Work?

Version 1.8 August 1, 2017
For Internal Use Only

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Volunteers or employees or a combination is the question? All states have rules and regulations that you must abide by; for example, minimum wage, hiring without discrimination, due process of discipline, etc. Depending on your financial success, you can then think of a living wage, health, life and disability insurance and retirement benefits for your employees.

Hiring a store manager is very important. Take your time. Check references. This is a business. Your employees/volunteers are your visible presence of St. Vincent de Paul.

One of the first jobs of the new manager is to set up a structure for employees. A key part of this job will be to determine the job assignments for hired employees. The manager will need to be able to work within the budget determined by the Stores Committee. Also the salaries and benefits must be determined. After determining the job positions required and writing job descriptions, it is recommended that the manager visit the local Work Force Commission and research the pay for each of these job classifications. This is required in order to assure that a competitive wage and benefits will be offered.

The new manager should review the Society’s Voice of the Poor position paper on Fair Wages before setting the hiring process.

Review your employees regularly to let them know you are aware of the good job they are doing or that a good job is not being done.

**Store Sales**

Store sales make it all possible. Most stores have tried to sell everything. You must realize that clothing represents the bulk of all sales. Certain items will always be in short supply and should command a higher price. Clothing items such as ladies dresses, large sizes, and maternity outfits are at a premium. To have an idea on pricing items, go to thrift stores in your area. This will give you an idea on what is selling and at what price.

**Vouchers**

In Chicago, we fill an emergency need. Our clients are allowed every 6 months the following:

3 outfits per person
2 sets of underclothing per person
1 pair of shoes per person
1 pair of boots per person
1 coat per person
1 jacket per person
1 hat, scarf & gloves per person
1 set of bed linens per person
1 towel per person
This is an important part of the Stores Operations. We must treat our clients and customers with dignity and respect.

Site Selection

Rent or buy a building in a retail environment at a fair market price. Remember we are property tax exempt. Some sites selected are in poor resulting in the need for money for improvements and betterments. Other locations may be "turn key" operations — ready for immediate occupancy.

Recommendation for a Site:

- Location: On a main street with four to six lanes. Parking: Prefer parking lot to only street parking.
- Renting: Recommend one year lease with option to buy in three years.
- Size: At least 5,000 sq. ft. with potential to expand on property to park 40 foot trailers for storage. Some cities do not allow them. Check local laws.
- Truck: 3/4 ton van — Pickup with a 12’ to 14’ box on back.

Store Fixtures/Displays/Appearance

It is important that the Store appearance is neat and clean and not "junked up." Windows should be washed every day or at least every other day. Sidewalk should be swept or snow shoveled when necessary. Floors should be swept and washed daily or vacuumed daily. Appearance is everything to the customer.

- Racks: There are single-hung and double-hung racks. I use double and single racks. I can display twice the amount of clothes on double racks. It uses wasted air space and it gives customers a good variety of clothing, coats, slacks, dresses, linen, sewing items, etc. to choose from. Color-coordinate the racks or if your items are sized — by correct sizes — customers want to shop in an environment they are comfortable with.
- Cashier Counters: Glass display counters to display jewelry and other unique items. You can purchase or acquire them through businesses that are going out of business.
- Hangers: You can purchase used hangers or get them donated from local merchants.
- Cash Registers: Invest in a good used or new cash register. Accountability of recorded sales and cash received is vital to your organization. Also, it is easier to account for total receipts at the end of the year. A specific policy and procedure needs to be in place for daily receipts. Daily procedure would include a night deposit and a recording of the results. Record keeping is necessary for state sales tax and filing of local, state and federal requests. An independent audit allows you to develop accountability to the government as well as the community in which you operate.
- Interior Equipment
Items you will need: Display Counters, Racks, Hangers, Bags and Various Support Equipment

**Permits**

State and local are required. If not incorporated, state non-profit licensing is required. Building ordinances, parking regulations, handicap regulations as well as others may be required.

**Insurance**

- Building … Property (i.e. Fire) and General Liability
- Employees … Workers Compensation, Health
  - Volunteers must be included. Discuss volunteers with your insurance company, insuring proper coverage and classification
  - Automobile. Liability and physical damage as well as non-owned/hired liability — Non-owned/hired covers employees & volunteers using their own vehicles during company business.

In conclusion, it could be said there is no such thing as a "small store." They are all future big stores. We would like all who consider starting a St. Vincent de Paul Store to think that their store should have the same success that larger operations have had. The principle of success is the same for all size stores — competent management of resources.
Section 4: Opening a New Store - An Accountant's View

I. Initial Start Up

A. Legal Formation

(1) Decide on structure of SVDP Stores Operation as either a Stores Committee of District Council or a Subsidiary Corporation of the District Council

a Stores Committee
   i Responsibility liability retained by District Council Officers
   ii Maintains a "wholeness" of District Council Operations
   iii Federal income tax exemption flows to Store Operation from District Council

b Subsidiary Corporation
   i Stores liability is limited to Stores Operation
   ii Stores can develop into a separate operation and become distant from District Council
   iii Corporation requires more formalities - minutes, separate operations from District Council
   iv Contact National SVDP office so Subsidiary Corporation is included in National's group exemption filing. If not, separate federal tax exemption filing is required.

B. Apply For Necessary Permits & Applications

(1) Zoning for Stores Operation
(2) Corporate charter if Incorporated
(3) Federal employment identification number (FEIN)
(4) State and local sales tax identification
(5) State Unemployment Board
(6) Possible state filing of not for profit

C. Rent or Buy Store Premises

(1) Rental
   a Short term cost effective - long term, costly
   b Can "walk away" from property at end of lease
   c Property taxes must be paid
(2) Buy-Out Right Purchase
   a. Requires significant capital to purchase a building
      i. Benefit:
         A. May be able to get building off the real estate rolls
         B. No monthly rental payment
         C. No property taxes
      ii. Detriment:
         A. Stuck with location
         B. Avoid public relations image that a charity is in the real estate business

(3) Buy-Out Mortgage or Installment Purchase
   a. Find your banker
      i. Is collateral required and adequate
   a. Additional incidental costs or restrictions such as:
      i. Maintain sufficient working capital
      ii. Funding debt service accounts
   b. Additional yearly costs for such items as insurance, audits and interest. 990T
      consideration if we later sublet a portion of premises for rental income

II. Accountability

A. Record Keeping
   (1) Primary record is general ledger which reflects assets, liabilities, revenues and ex-
       penditures of the store.
   (2) Subsidiary ledgers include cash receipts, cash disbursements, payroll journal, and
       employee’s earnings records.
   (3) Supporting documentation includes cash register tapes, time cards, vendor invoices,
       and statements.
   (4) Retention of records - safest bet - 7 years. Practical rule of thumb - if an auditor
       (sales tax, state unemployment) has right to access records - keep records available.

B. Record Design
   (1) Categorize expenses into program services, management and general and fund
       raising for 990 reporting purposes.
   (2) Keep each store as a separate department.
      a. Provides profit/loss by store
      b. Stores in different municipalities may have different sales tax rates.
Consider departmentalizing overhead costs, such as administration, warehousing, transportation and allocating costs back to the stores.

(4) Cash basis or accrual basis of accounting.
  
  a Accrual basis is preferred (revenue recognized when earned - expenditures recognized when incurred).
  
  i Accrual would require accountant for accounts payable & is time consuming.
  
  b Cash basis (recap of check book receipts/disbursements) is easier but more distorting. Example: transfers between Stores and District Councils.
  
  c Financial Reporting - 3 Different Recipients
  
  i Stores Board/District Council
      
      A Purpose to make management decisions on current fiscal operations and take corrective action where necessary.
      
      B Prepare periodic (preferably monthly) financial statements. Minimal report is total cash receipts, and disbursements with ending cash balance.
  
  ii Membership/Community
      
      A Purpose to show "stewardship" of meeting charitable purpose - cases served - people helped
      
      B Prepare statistical information - total sales/disbursements number of volunteers
  
  iii Governmental Agencies
      
      A Purpose to ensure compliance with federal and local laws primarily due with transmittal of tax with withholding and collections
      
      B Prepare following “tax” returns

C. Employment

(1) Federal tax deposit form 8109
  
  a When income tax withholdings from employees and FICA tax liability exceeds $500, stores have 3 banking days to remit taxes to their depository bank along with the "coupon."

(2) Federal Form 941
  
  a "Employer's quarterly Federal Tax Return"
  
  b IRS Proposal - Where deposit of withholding taxes exceeds $50,000 deposits are to be made electronically.

(3) State Form 941 to transmit state income tax withholding from employers to state
  
  a Check with state as to depository requirements and frequency of filing

(4) State Unemployment
Section 4: Opening a New Store – An Accountant’s View

a **Quarterly report** on taxable unemployment wages to state's unemployment compensation department
   i Taxable wages and maximum rates vary from state to state
   ii Some states permit a reimbursement of actual benefits paid rather than quarterly payments

(5) **W-2, W-3**
   a Prepare "Yearly Wage and Tax Statement" - W-2 for each employee.
   b Statements are mailed along with a W-3 transmittal to Social Security Administration by February 28
   c Electronic filing required for employers with more than 250 employees
   d Remember total wages on the W-3 transmittals must agree with summation of wages reported on each quarterly 941

(6) **1099's - 1096**
   a Prepare yearly 1099 miscellaneous income statement for all individuals and partnerships (independent contractor) receiving more than $600 a year)
   b Statements are mailed along with a 1096 transmittal to the Internal Revenue Service (IRS) by February 28
   c IRS is tightening definition of independent contractor and broadening employee classification collect more employment taxes

(7) **Sales - State Sales Tax Reviews**
   a Prepare **periodic** (usually monthly) sales tax transmittal or sales taxes collected
   b Note - Sales tax rates can vary from town to town while report is filed with state or county
   c Check state for special requirements

(8) **Federal Compliance - 990**
   a 'Review of Organization Exempt from Income Tax" is a yearly review filed with IRS
   b What Entity Files
      i Stores if separately incorporated or,
      ii Stores and District Council where both agencies use the same Federal Government Identification Number (FEIN#)
   c **What Basic 990 Form to Pick**
      i If total receipts for the year are under $25,000 and total assets are under $250,000 - No filing is required
      ii If total receipts for the year are between $25,000 and $100,000 and total assets are under $250,000 file a **990 EZ**
Section 4: Opening a New Store – An Accountant’s View

d. If total receipts exceed $100,000 or total assets exceed $250,000, file a 990 Form.

(9) All 501 (C) 3 organizations, filing a 990 or a 990 EZ, must file a 990 Schedule A

a. Significant required information in 990's

   i. Income statement and balance sheet.

   ii. Functional expenditures must be segregated between program management
        and general and fund raising

   iii. Analysis of income between related (exempt function) and unrelated business
        income

   iv. List of officers & compensation/expense allowances paid to them. List of 5
        highest paid employees and professionals receiving over $30,000 each

   v. 5-year support schedule of revenue, gifts, investment income, etc.

   vi. Schedule of investments, if any. Listing of individual contributions & grants
        over $5,000

   vii. Check if there is state reporting requirements for 990's - Illinois has none

(10) 99OT's

   a. If a Store/District Council has unrelated business income exceeding $1,000 for the
      year, a 990T is required along with a possible tax on the unrelated business net
      income

   b. "Unrelated Business Income" is defined in IRS Publication 598 - Tax on Unrelated
      Business Income of Exempt Organizations"

   c. "Sales of merchandise, substantially all of which was received by gift" (Resale
      Stores) are exempt

   d. Purchase of goods for resale may be taxable income

   e. Rental income from property (a store building) subject to a mortgage is taxable
      income

(11) Grant Auditing

   a. If Stores/District Council accepts more than $25,000 in Federal Fund

      B. More than $25,000 in Federal Fund

II. Additional Tools

   A. Here is a sample Quickbooks Chart of Accounts to assist in setting up an accounting system.

   B. Here is a sample budget for setting up a store operation.
SECTION 5: THE BUSINESS PLAN

The Small Business Administration

The Small Business Administration offers some tools to assist in developing a business plan. The following website offers a step-by-step development tool: https://www.sba.gov/starting-business/write-your-business-plan
The following three business plan elements help form the pattern of decisions that:

1. Shapes and reveals its objectives, purposes or goals.
2. Produces the principal policies and plans for achieving these goals.
3. Defines the business one intends to be in and the kind of economic and human organization it intends to be.

Business planning is the choice of purposes, the molding of organizational identity and character, the continuous definition of what needs to be done, and the mobilization of resources for attainment of goals. To become an effective organization, volunteer Vincentians and those operating St. Vincent de Paul stores must have a sense of the Society's mission, its character, and its importance. If they do not know the purposes they serve, they can hardly serve them well.

The purpose of an organized effort is sometimes unclear, and constantly changing. Each group (volunteers, store personnel) must have meaningful objectives. These goals must be brought into balance with the charity and business side of the Society. In fact, whenever people are challenged in business or elsewhere by the problems of establishing goals, they will find themselves establishing a central relevance; for instance, "People Helping People."

In establishing a business plan, a summary statement is needed to characterize the product line and services offered or planned by the society, the markets and market segments for which products and services will be designed, and the channels through which these markets will be reached. The means by which the operation is to be financed must be clarified and the profit objectives will be specified. Additional functions such as marketing, manufacturing, procurement, personnel, and usually the intended size, form, and climate of the organization would be included.

Following is an example of a summary statement:

Our Society of St. Vincent de Paul aims to market a wide variety of high quality inexpensive second hand clothing items, with emphasis on the techniques of retail clothing goods marketing (brand promotion, wide distribution, product representation in more than one price segment and very substantial advertising directed closely to its growing audience). We intend to distribute second hand clothing both for financial and humanitarian gains. Our aim is to finance internal growth through the use of long term debt and low cost government subsidized loans, and also to use the Society’s favorable image to raise funds for this venture. The retail distribution is intended to secure financial growth to aid volunteer Vincentians in their mission of helping people.

Formulation of a Business Plan:

Business planning is an organization process, in many ways inseparable from the structure, behavior, and culture of the society in which it takes place. The first principle in formulating a business plan is identifying opportunities, and attaching some estimate or risk to the apparent alternatives. Before a choice can be made, the Society's strengths and weaknesses should be appraised together with resources available. Its actual and potential
capacity to take risks should be estimated as objectively as possible. Matching opportunity
and organizational capability to an acceptable risk level will result in an economic strategy.

This process assumes that an analytical approach is taken and that the relative capacity
of the Society and the opportunity is anticipated in developing markets. Risk is always
present, (high & low) the extent we undertake it depends on our objective. The determination
requires consideration of what alternatives are preferred by volunteer Vincentians as well,
quite apart from economic gains. Personal values, aspirations, and ideals all will influence the
final choice of purposes. The final choice also has ethical aspects, such as the public good or
service to society in general. Thus a fourth element made up of four components must be
considered.

1. Market opportunity
2. Organizational competence and resources
3. Personal values and aspirations
4. Acknowledged obligations to the people we help in Society

All elements and components are critical in making that final choice of purpose;
all must be combined to move positively forward. Once the purpose is determined, the
following topic areas must be raised, examined and monitored.

I. Description of the Market

A. Within the section of the business plan, you should introduce information about the
market, the product and future marketing strategies for the product.

B. The Market

(1) The market is the most important part of the plan. Give a brief introduction to the clothing
market:

(2) What is happening to the market for our products? Is it expanding or contracting? Why?

(3) Would you benefit by entering the market?

(4) What kind of numbers can you project by entering the market?

(5) What, if any, better combinations of market opportunities and distinctive competence can
our Society effect, within a range of reasonable risk?

(6) What are the Society's major strengths and weaknesses? From what sources do these arise?

(7) Do we have a distinctive core of competence? If so, to what new activities can it be
applied?

(8) What are our principal competitors' major strengths and weaknesses? Are they imitating us
or we them?

(9) What comparative advantage over our competitors can we exploit?

(10) DEAL WITH THESE QUESTIONS CAREFULLY. If you know your statistics, you will
be able to give a convincing argument as to why the Society will benefit from entering the
market. It is important to stay brief.
Section 5: The Business Plan

C. The Product

(1) Include a brief discussion about the product itself, your involvement with the product:

(2) What really is your product?

(3) What functions does it serve?

(4) To what additional functions might it be extended or adapted?

D. The Future

(1) Don't give away too much here. Project possible marketing strategies for the future such as:
   a. Vertical integration
   b. Geographical expansion
   c. Diversification.

II Description of the Business

A. Your main objective here is to introduce your Stores Committee to your operating personnel, the opportunities and risks of your market strategy, and a basic philosophy.

B. Personnel

(1) You should enclose resumes on all your key personnel. Who will be in charge of both internal and external operations?

(2) The degree to which an organization is efficient, productive, creative, and capable of development is dependent in large part on the maintenance of a climate in which the individual does not feel suppressed, and in which a kind of freedom is permitted as a matter of course. Also conditions encouraging individual's performance and productivity must be established.

C. Opportunities and Risks

(1) What are the essential economic and technical characteristics of the industry in which the society participates? For Example:

(2) Knowledge that the collection of donated clothing requires very little investment.

(3) What trends suggesting future change in economic and technical characteristics are apparent? Example:

(4) Change in demand for the product. What is the nature of competition both within the industry and across industries?

   a. Example:

      i. Who collects donated used clothing? Who are the buyers? Are they different from those who collect? What are the requirements for success in competition in the company's industry?
D. Philosophy

(1) Devise a paragraph stating your business philosophy. We must have a clear idea of what we are and what it is we intend to become.

III Projection of Sales

A. From any personal experience in the retail clothing market or from reliable statistics, create a projection of sales chart. List projected sales per month and then make a final projection of sales for your first fiscal year.

IV Start-Up Costs

A. After you have set your goal for the first year's sales determine what your start-up costs will be. This includes things such as incorporation fees, licenses, rent deposits, initial advertising, initial inventory, etc...

V Loan Needed and Proposed Use of Loan

A. By now you should know whether or not you have enough funding for entering the market. If you need a loan from an outside source, be sure to state the amount, estimated pay-back time, and needed credit line.

VI Beginning Balance Sheet

A. The next step is to construct a simple balance sheet listing the Society's assets, liabilities and equity. If you are unfamiliar with the format of a balance sheet, refer to any accounting textbook.

VII Statement of Cash Flow

A. This chart shows your income and expenses over the first fiscal year.

VIII Explanation of the Statement of Cash Flow

A. Here you should attempt to explain statement of cash flow. Interpreting the information is necessary to understand cash flow. Preliminary analysis should consist of things such as inventory control, advertising, (i.e. newspaper ads cost is estimated at 10% of sales) salaries and wages, loan repayments, etc...

IX Projected Income Statement

A. Now set up a projected income statement for the date ending your first fiscal year. Determine your net profit and any depreciating methods and/or allocation costs. Again, like the balance sheet, refer to any accounting text for proper format of the income statement.

X Year-End Balance Sheet

A. Finally tie together all the projected figures that you have amassed during the whole start-up process and incorporate them into a final balance sheet for the date ending your first fiscal year.

XI Second Year Projections

A. Go ahead now and project numbers for your second year of operations. Project sales growth/loss, cost of goods, gross profit, operating expense, and finally net profit.
XII  This concludes the introduction to a basic business plan.

A.  In addition to the plan itself, you should attach any relevant information such as:

(1) Resumes
(2) Lists of initial equipment and inventory
(3) Copies of leases
(4) Lists of prospective customers
(5) Any other list or information you feel would help.
SECTION 6: EMPLOYEE RELATIONS

For a detail treatment of this subject, please refer to the Stores Operation Manual. There you will find a detail discussion on employee relations including job descriptions, management practice, generating a employee manual, etc.

There is an example employee manual in Appendix C of this manual that will serve as a quick start guide for developing your initial Employee Manual.
SECTION 7: RECYCLING

I. Recycling

Society of St. Vincent de Paul thrift stores have been recycling textiles, metals and other items for many years, long before recycling became an accepted name for saving and reusing items. Today recycling has taken on a significantly broader meaning and with the change in national significance comes substantial opportunity. One only has to look at the cost to dump garbage to get a feel for the increased need to recycle. A number of SVDP operations recycle glass, newspaper, cardboard and metals of all types. In today's world opportunities develop as markets change.

Recycled Clothing

A by-product of a clothing collection, whether sold in the stores or given to our less fortunate neighbors, is the generation of surplus clothes and accessories.

Disposal of surplus clothing, shoes, belts, and purses are generally handled in one of two ways:

1. The surplus is sold or given to another non-profit for their use (usually to avoid the cost of disposal)
2. The surplus is sold to bulk clothing dealers who typically re-sell on the national or international market.

Each of these solutions is appropriate and should be utilized. **The first solution is a desirable one** in that the society is helping other non-profits whose mission is to serve the poor and needy and may not have the ability to generate enough donations of clothes to fill their needs. This creates good relations with fellow service providers. It also addresses the issue of being seen as helping with the 'greening' of the earth and is very beneficial as a public relations move for the society.

There are numerous nonprofit groups willing to accept your surplus clothing in your community. It is a good idea to set up a program with them so you know whom you can call when you have surplus clothing.

**The second solution is more complicated.** Wholesale clothing processors and brokers buy your surplus clothes, typically by the pound, because they intend to reuse or re-sell them and make a profit. A processor is typically an end-user who often buys from brokers to obtain the quantity needed to keep the operation running. The end-user may be in the business of recycling valued categories of cloth while selling used clothing wholesale to retail distributors or even retail stores. The end-user operates a production facility employing a number of people who process tons of clothing each day. A broker buys and sells loads of clothing without touching or seeing the loads they broker. Brokers profit by operating in the middle, soliciting loads of credentialed or baled clothing from organizations like SVDP and other sources.
then selling to known end-users.

Brokers typically profit pennies on the pound for the work performed. The broker must move large quantities each day to stay in business. You may encounter a broker who is an employee for a large company that has been in business for decades. Conversely, you may find a broker who operates out of his basement and may be out of business in a few months. Like all businesses there are many start-up brokers during good economic times, but only the strong survive during a bad economy. Spending some time researching whom you are dealing with will lessen your risk of not getting paid.

An SVDP entity may sell clothing to either an end-user or broker. A broker will make you a price offer per pound and arrange for the transportation. You, the seller, should not pay for or schedule the transportation. The broker does the work assuring the clothing arrives at the end-user’s door. The end-user or the broker, depending on their agreement, pays the transportation. The seller’s only concern is receiving the amount per pound offered by the broker.

It is common, and frustrating, for brokers to contact sellers seeking to buy a load of clothing before they have found an end-user who is buying. It is certainly annoying when a broker’s call leaves you thinking your have sold a load only to not hear from the broker again. Unfortunately this practice is more common when there is a glut of clothes in the market, i.e. more clothing for sale than buyers.

Typically an end-user will pay a higher price than a broker. Selling to an end-user entails more work for the seller. You must find an end-user willing to accept the quantity and quality you have to offer. You may have to sign an agreement. You may have to travel to find and retain end-users, and ship to the end-user by hiring your own transportation.

The price brokers and end-users pay per pound fluctuates, reflecting the current market price. Used clothing is sold mostly on the international market and may be sold, or brokered, several times before reaching the end-consumer. Market price is determined by many factors including the value of the dollar, the demand for used clothing internationally, trade relations between countries, and the economic health of the countries consuming used clothing. Natural disasters, war, religious observances such as Ramadan, and even the changing of the seasons will affect market price. The price a buyer offers you is largely determined by the international trading price, the profit needed by your buyer, and the quality and quantity of clothing you have to sell.

If the clothing you offer does not have sufficient content of what they need (or a large content of what they don’t want), or you are unable to ship a large enough quantity, buyers will not purchase; or purchase at a rate considerably lower than the market price. Most clothing dealers also buy belts, shoes, and purses, stuffed animals, and small plastic toys by the pound; paying the current market price.

Buyers generally purchase two categories of clothing, credentialed and mixed-bale clothing. Credentialed clothing is clothing that has not been sorted, utilized for donation or put into a store for sale. Buyers will pay a much higher price for credentialed knowing the donation from the donor is in tact, e.g. the contents in bag of clothing has not been touched by the seller.
Mixed-bale clothing commands a lower market price because the bale of clothing contains items rejected by sorters (e.g. poor quality for store sales, dirty, needs repair), or sent to bale after not selling in a store.

Most store operations generate mixed-bale clothing as a by-product, or a quantity and grade of clothing that will not sell retail and must be jettisoned. This by-product may be a revenue stream for the operation, or at minimum an avoidance of cost (e.g.disposal to the land-fill).

**Expect the price per pound to change often.** Maximize revenue by shopping for the best price. There are many people who buy and sell used clothing. You may search for buyers by asking other SVD (or similar) organizations, and by searching on the Internet.

**Seeking a reference for buyers is important considering most want to pay for the goods after you have shipped.** Extending credit to the buyer creates risk of non-payment and the work of having to follow-up to collect your money. Generally terms for payment will be net 30, from the time the dealer receives your product. Some dealers will pay on time and some will pay late. Since dealers are working on your cash flow net 30 is reasonable but net 45 or 60 is not. Likewise, there have been instances too frequent to mention of "dealers" promising very high prices for your product and never paying. Check references!!

The best method is to require the buyer to pay for the load up front (using a bank wire transfer to your account), before you ship, for an estimated tonnage of clothing. After shipment the buyer and seller can settle the difference of the estimated and actual shipment weight.

**Cost of Production of Wholesale Clothing**

As with all things in the store there is a cost of production for clothing that is to be sold. So if you devote a significant portion of valuable warehouse space storing clothing for sale to dealers the space has a nominal as well as real value. Likewise the handling of the clothing, both in terms of storage, baling and loading on a truck is costly. Typically the cost to bale is between 1½ to 3 cents per pound depending on the size of baler, strapping and storage. Labor of course is the bulk of the cost.
Vertical baler is widely used. Baling process is labor intensive.

Bale weight is approximately 1,000 pounds. Low investment does not require a lot of floor space. Voltage requirements typically range from 220 to 480 VAC.

Conveyors feed horizontal baler. Sorters drop discarded items on conveyor belts. Baling is automated and significantly reduces labor. Bale weight ranges from 1000 to 1400 pounds. Horizontal balers and conveyors require a lot of floor space are used in high volume operations.
Moving the bale once ejected by the horizontal baler.

Bales are staged for shipment to buyer

Stuffed animals are baled and sold to buyers
Shipping bags filled with shoes staged for shipment

Cardboard baled for sale to buyer
Some buyers will ask if you can load overseas shipping containers, usually 40 feet in length. Typically a shipping container can be loaded with 40,000 pounds of bales. More and more buyers are asking sellers to use containers due to the lower shipping cost. Once the container is loaded it is transported to a railhead where it will be shipped by rail to a port for overseas transport.

Trucks will travel using a 53’ trailer. It is always in both your best interest and the interest of the buyers to fill the truck, typically loading a minimum of 40,000 pounds. Never put in wet, moldy or vermin ridden clothing! Besides being a poor business practice it will simply force the dealer never to do business with you again.

A 53’ trailer will carry about 46,000 pounds of baled clothing. The total weight loaded depends on the empty weight of the tractor and trailer. Insist the truck arrive with an empty scale weight (will have to weigh on scales prior to arrival with trailer empty). The empty weight determines how many bales can be loaded onto the trailer. Typically the total weight of a loaded truck cannot exceed 80,000 pounds. The weight of a tractor varies widely, affecting the weight you load into the trailer. Once the trailer is loaded insist the driver go to the nearest scale for a loaded weight. This is important for two reasons. First, you should not load a truck exceeding 80,000 pounds total weight. Vicariously you are responsible for loading a truck that is legally overweight. Should the truck cause damage to property or person the liability will include you, the loader. Secondly, you need a loaded weight to verify how much money the buyer will owe you. Insisting on empty and loaded weights will raise the ire of some truckers, but you must insist!

In some areas clothing dealers have their own trucks to pick up the clothes whether baled or in boxes or bags. Most dealers prefer the clothing be baled as this decreases their cost
of handling, increases the yield on the truck, protects the clothing from damage and gives a measurable weight of the clothing being sent. There are some dealers who will receive clothing in bags and boxes and that will decrease your cost of handling. Baled clothing typically sells for a higher price than loose clothing (in bags and boxes).

Payment for your clothing can often be a problem. Most dealers are interested in keeping your business and will give you reasonable terms and prices for your goods. A caution is that there is also a tendency to freeze your price or reduce it because the market has changed. This indeed does happen. But as with all things it is in the best interest of the dealer to get their goods at the lowest price possible. You should ship your rags on a regular basis.

**Other Recycling Opportunities**

Store operations generate many items that will not sell. Your option is to pay for disposal or recycle. Recycling is the best method to cut your cost, save our environment, and hopefully realize additional revenue. The Following are some examples:

**CARDBOARD:** Sold to paper recyclers, priced by the ton, and the price is market-driven. Seller may drop baled cardboard off at a recycling plant. Some plants accept loose cardboard. Your vehicle weighs in when entering and weighs again when leaving. Some plants pay upon delivery, others pay regular cutomers by check per established account agreement. If plants are not available recycling brokers or local buyers may pick up from you and transport to processing facilities. At minimum selling cardboard saves the cost of disposal.

**COOPER WIRING:** Sold per pound. The price is market-driven, affected by international demand. One source of copper is in the wiring from electronics and appliances. Cut the wires off and store in a container until enough is accumulated to make the trip to the recycler worth while. Look for copper in other metal items donated.

**APPLIANCES:** You may find a local appliance recycler/repair business who will accept non-working units. You may be paid or you may only avoid the cost of disposal. Otherwise appliances may be shipped with other metals to a scrap metal buyer.

**E-WASTE:** E-Waste recycling of working and non-working electronics may be a source of additional income, depending on the market. Because most electronics should not be thrown into the landfill recycling is necessary. At minimum, a good arrangement is to find an e-recycler and bargain to exchange all electronic items (especially tube televisions and computer monitors) although you will not get paid. Otherwise, the price you will receive for e-scrap is market-driven. Some localities/states subsidize e-waste reclying.

**METALS:** Bought and sold by the ton. Price per ton is market-driven. Scrap yards are available in most areas, otherwise you will likely find someone who will take small quantities of scrap from you, and perhaps pay you. Ideally, scrap should be collected (e.g. using a 40 yard roll-off container) until a number of tons accumulate, making the trip to the
scrap yard cost effective. Scrap yards will place and pick up containers typically for a fee deducted from the scrap sale.

Most metal collected by a store will be “dirty scrap metal” meaning there may be non-metallic materials connected to the metal but item is mostly metal. The price for pound is less than clean scrap metal, but selling dirty scrap may still be a revenue source and certainly a way to avoid disposal costs.

Manufacture of Products: A Tool for Empowering Low Income People

There are numerous SVDP Stores that manufacture items for sale, and regular market consumption around the country. In many cases, this manufacturing addresses a specific need of the SVDP Society for goods needed for donation. Thus, mattress factories that fill orders for goods needed for donation to the poor are fairly common on the west coast. There are other factories or production plants that pursue the manufacture of other items, such as dressers, bunk beds, chests of drawers, etc. These serve a genuine need for the Society and for the poor.

Some SVDP operations and other non-profits such as Deseret Industries, Goodwill and Salvation Army are actually using the manufacturing of goods not directly associated with the needs of Store and the Society as a tool for empowering the poor to become self-sufficient. In these workshops, transferable skills are learned while the individuals earn a living wage to support themselves. This special program base of the Stores allows the stores to serve as a very real compliment to the Society’s emergency services programs. There are very few more important ways to create answers to poverty than by creating real long term solutions, and this strategy does just that.

In order to set up this type of manufacture, normal business practices must be followed. Careful market research must be done to ensure that the public, at the price needs the products you manufacture your manufacturing concern can afford to produce it. Thus in one area, Goodwill Industries manufactures pallets for the trucking industry, but did so only after careful research and getting contracts in place from the private sector to accept their products.

Another strategy to help create this manufacturing/training component is to follow the lead of Deseret Industries. This non-profit has created a trading base within their own stores operations, where one Deseret facility will produce a product for all Deseret Stores, and in return, accept the products being produced by another Deseret. This has allowed that organization to create immediately viable products from their manufacturing centers, because before beginning production they have booked enough orders to pay for the initial tool up and first runs of the products.

This is currently being done with some products with SVDP. If this type of innovative strategy can be coupled with homeless or disadvantaged job training programs sponsored by
either local or national groups, it is possible to make a significant impact on the nature of poverty in your community.

**Identifying and selling higher value merchandise**

**Ebay:** Another source for recycling is the use of Ebay for merchandise you are not certain about due to its uniqueness. It is amazing the types of merchandise people will purchase on this web site. There is a monthly cost to being on this web site but the rewards could be surprising. Mission Fish as the nonprofit portion of Ebay. [http://www.missionfish.org/](http://www.missionfish.org/)

It is most important for a Store operation to recognize that they are already a significant recycler. The next step is to become part of your community planning for how your community will recycle in the future and ensure that the SVDP store operation establishes market niche somewhere in that process. If this can be accomplished, the goal of providing real employment for low income people, and providing real revenue sources for SVDP Society activities can be an exciting future for the Stores.
SECTION 8: PROPERTY AND CASUALTY INSURANCE

Insurance is a legal contract to exchange the loss of a small certain sum (premium) to protect against the uncertain loss of a large sum (claim). The object is to spend your premium wisely to cover as many uncertainties for as little premium as possible with an agent and company that will perform when called upon.

Each store, conference or council has a unique set of combinations of needs for insurance. The following is a general guide that should greatly assist in understanding and buying insurance. You must explore your own needs and solicit the assistance of professionals when you deem it wise to do so.

To understand insurance needs they can be broken into 7 general categories. They are:
1) Loss or damage to your property at your location
2) injury or damage to other people or their property
3) loss by crimes committed against you
4) loss of property away from your premises and certain special items
5) automobile related losses or claims
6) loss from "professional" damage claims
7) employee or volunteer injury

The following pages will outline each of the 7 categories and the major items under each. Insurance coverage can be purchased for any or all of these categories. It is important to consciously decide if insurance should be purchased for a given loss potential at all, if so at what limits and under what conditions you want a loss paid. The more complete the protection the less risk of loss to your operation and the larger the loss of the certain sum (premium).

As a general rule of thumb spend your insurance dollars on protecting the largest possible losses. Insure against those losses that could put you out of business as opposed to trying to cover every eventuality. For example, if you have limited funds, it would be better to buy higher liability limits than glass coverage. You can overcome a $1,500 glass replacement loss easier than an injury claim $350,000 over your limit.

When you buy your insurance, do it with the thought in mind that a claim will happen. Then decide what you will be satisfied with as a settlement. Certainly you will try to avoid ever having any claim but if you do have one, the result will not be an unhappy surprise to you.

OUTLINE OF COMMON COVERAGES

1) Property Coverage
   a) Buildings
   b) Contents
Section 8: Property and Casualty Insurance

i) stock
ii) equipment
c) Business Income
d) Glass

2) Liability (other than auto)
a) Premises
b) Operations
c) Personal injury
d) Products
e) Fire legal
f) Medical payments

3) Crime
a) Employee theft
b) Burglary
c) Money & Securities

4) Inland Marine (property away from premises and special items)
a) Sign
b) Jewelry
c) Fine Arts
d) Property in transit
e) Equipment off premises
f) Computer

5) Automobile
a) Bodily injury
b) Property damage
c) Medical payments
d) Uninsured and underinsured motorists No fault
e) Damage to own vehicle
f) Hired auto
g) Non-owned auto

6) Professional
Section 8: Property and Casualty Insurance

a) Directors and Officers
b) Professional skills errors and omissions

7) Employee Injury
   a) Workers compensation
   b) Volunteer on the job injury

Property Insurance

To insure your building and contents you must determine several basic factors:

1) **The value of building, equipment, and stock.** You must know how much insurance to buy. It is advisable to have an appraisal on the building and equipment. Appraisals can be expensive unless you can secure one donated by a professional. Often a good building contractor or real estate agent can help determine a reasonable replacement value.

   When choosing a value it should be the cost to replace, not market value or depreciated value.

   For example, you may be able to buy a building for $100,000 including land. But to rebuild the building at today's cost would be $125,000. You should insure for the $125,000. Likewise if the building were to cost $75,000 to replace, that is what you should insure it for even though you paid $100,000 for the entire property. Part of the purchase price in this example is the cost of the land which will not burn so should not be insured.

   Although there is a definite cost and value to our donated items it will probably be expensive to insure and difficult to value at the time of a loss. You may wish to exclude all used goods as a practical matter. If you do insure used goods, have an understanding in writing at the time the policy is purchased how any loss will be valued.

   The deductible you can pay at time of loss. The standard deductible is usually $250 per occurrence. You can increase it to $500 or $1000. Higher deductibles are available but usually rate credits don't justify these larger deductibles. Insurance companies vary on rate credits for deductibles. Remember a deductible may apply to several areas of coverage, for example building and contents each have a deductible. In case of a loss involving both the total deductible would be $500 if each were at $250.

   Ask what the dollar savings various deductibles have. Keep in mind the size of the deductible on a single claim versus the savings in premium. For example, if the savings is $100 in premium to raise the deductible from $250 to $1,000 you would have to go 71/2 years without a claim to break even. That is $1,000 minus $250, or $750 is the additional deductible you pay on any claim over $1,000. In saving $100 per year in premium it would take 71/2 years of saving $100 per year without a claim to break even.

3) **The coinsurance clause acceptable to you.** Every policy except a "Business Owners Policy" includes a coinsurance requirement. It states that you must buy insurance equal to a certain percentage of the true value of the property at the time of a loss.
Section 8: Property and Casualty Insurance

The standard coinsurance clause is 80%. That means if your building is worth $100,000 you have agreed by the insurance contract to buy 80% of that value or $80,000 in insurance.

If you agree to buy at least 90% or $90,000 in this example, the rate is decreased by 5%. The rate is further decreased by 5% if you buy 100% coinsurance. You should never buy the 100% without an up-to-date appraisal. It is rarely advisable to use 100% in any case.

It is very difficult to be absolutely accurate in valuation taking into account human judgment, inflation and etc. The best advice is to insure an estimated total value using 90% coinsurance. This gives you some rate credit and 10% leeway in accuracy of valuation.

Realize in each increment increase the 5% credit requires you to buy 10% more limit of insurance. Obviously in the case of a total loss, insurance on the full value of the building will be desirable.

Failure to maintain insurance limits equal to the agreed coinsurance will result in a penalty at the time a loss is settled. If you agree to a 90% coinsurance and only insure to 60%, you will receive 2A (60/90) of any claim, if you only insure to 45% you will receive IA (45/90). It is critical to have your limits and coinsurance limits match. See the separate example page on how coinsurance works.

4) How you want the loss valued when you are paid. You choose the settlement basis when you buy the policy. The choice is either "actual cash value" or "replacement cost."

Actual cash value is the market value less depreciation. Simplistically, if your property has a life of 50 years and is 25 years old, the claim will be settled at 50% of the market value.

If you buy replacement cost, the claim will be settled at cost to replace with like kind and quality. You must replace the property or it will be settled "actual cash value." There are several other stipulations but this is the basic concept.

The cost of replacement cost insurance can be as low as $1. In most cases, this is the valuation choice to make if you can. You may, however, be in a building that for reasons of building code, location or some other reason would not or could not be rebuilt. In that case you would insure actual cash value and as in the above example only buy insurance equal to 50% of the cost to rebuild to match the depreciated value. Obviously by buying a lower limit of insurance to match the loss you will spend less premium dollars.

5) The perils that you want covered. You can buy property insurance on three forms. They are "Basic," "Broad," and "Special." The causes of loss that are covered are most restricted on Basic and most liberal on Special. Special gives you coverage for burglary, the other two do not. There are other differences but suffice it to say that you should not buy less than Broad and it is recommended that you buy Special. If the cost is too high for Special because to the theft load on all equipment and stock, you can exclude stock. You would then have theft for equipment you use in the store such as computers, cash registers, typewriters and similar equipment which is usually the target of burglars.
There are several common items not covered under most fire forms. Fences must be specifically named, valued and insured. The same is true of parking lot lights and any free standing building such as a parking canopy.

Business income coverage pays the continuing expenses of the store if you cannot operate because of damage from a covered peril such as a fire. It will pay rent, payroll, equipment payments and similar expenses that go on even if you can't open the store. It will even pay the profit.

The best way to buy this coverage if you decide to is to estimate the number of months it would take to reopen in case of a major loss. Then determine the continuing expenses and profit per month to choose a monthly limit. The standard periods are 3, 4, or 6 months. So for example you may choose $10,000 per month for 4 months.

If you can buy a "Business Owners" policy it often will cover actual loss sustained for a 12 month period. On other policies you must select the limit and time.

Glass damage is covered under a building policy except for vandalism.

Glass coverage is often required by the terms of a lease if you do not own the building. Premium charges can vary substantially. You need to get a dollar quote and consider it compared to the potential cost to replace the glass. The real danger is that vandals will break not one pane but all. You can usually buy this coverage without deductible.

**Liability Insurance**

The standard liability insurance contract covers bodily injury or property damage to others for seven general areas. These areas will all be in the policy unless excluded by a special exclusion form.

1) **Premises claims** that occur for damages to members of the public because of an unsafe condition in the store or on the property. A typical example of this type of claim would be a trip and fall over an item in an aisle.

2) **Operations claims** that cause damages to members of the public. This would be actions of your employees. For example, damaging a vehicle while moving donated goods through your parking lot.

3) **Personal injury claims** which is different than bodily injury. This is the ego hurts that people sue for such as libel, slander, wrongful eviction, invasion of privacy or wrongful arrest. For example, you thought someone was shoplifting and had them arrested. If you could not prove their guilt, they might sue you for false arrest.

4) **Advertising injury** which covers a basic exposure to claims as a result of the use of logos, advertising infringement and disparaging of others products.

5) **Products and completed operations** which covers damage that might result from a defective product or repair after you have sold the product or completed the repair. For example, you sell a gas grill that you had repaired and it explodes when used. If it explodes because the grill had a defective part, it would be a products claim. If it explodes because the repair was done incorrectly, it would be a completed operations claim.
6) **Fire legal** insurance covers damage to the space you lease if you have a fire because of your negligence. The building owner's insurance would pay the claim and then file a claim against you for negligence.

It is desirable to have a lease that includes a "Waiver of Subrogation Clause" to avoid such a claim against you. See your attorney before you sign a lease.

7) **Medical payments** cover injury to the public where you are not legally liable but feel a responsibility to pay the medical costs. For example, a regular benefactor could enter the store and trip over their own shoe laces. Since you did not have an unsafe condition or cause the injury, you probably would not be legally responsible for the injury but you could still pay under the medical payments.

**Common limits are $300,000, $500,000, and $1,000,000 for liability.** The difference in cost is so slight for most store operations that the $1,000,000 limit should be chosen. Excess limit policies in increments of $1,000,000 can be purchased to any total limit you feel comfortable with.

**Medical payment limits are usually $1,000, $5,000, or $10,000.** This coverage should be used rarely so as not to encourage a claim where a valid one really does not exist. Normally the $5,000 limit would be sufficient.

**Fire legal limit on all basic policies starts at $50,000.** It can be raised to any limit you need. Remember it only covers the value of your space. If you are in a strip shopping center and are responsible for burning down neighboring stores, your liability limit of say $1,000,000 will pay for all damage other than to your own space.

**Crime Insurance**

Burglary can be covered in the Special fire form if you desire this protection. Burglary is covered for theft when the premises are closed and there are signs of forced entry.

Employee theft can be insured but due to the nature of our operation it may be difficult to find. You generally need to prove an employee theft to collect and this will often require prosecution. There are a number of controls you can institute to reduce the possibility of serious loss from this source. Most of these controls are common sense and your insurance agent or company loss control person can discuss them with you.

If you decide to insure against employee theft, the limits start at $5,000 and common increased limits are $10,000, $25,000, $50,000, and $100,000. This can be bought without deductible but often the company asks for a $500 or $1,000 deductible.

Loss of money and securities is excluded from the fire form even if you do buy the burglary coverage. There is a definite exposure to a robbery of cash in the store or on the way to the bank. Common sense controls on handling the cash can greatly reduce the potential for loss and the size of loss.

If you decide to insure this, the limits start at $1,000 and can be bought for loss either inside the store, outside the store or both. Obviously you would buy both inside and outside. The limits are in increments of $1,000 to any limit you wish. Some companies desire a deductible, but it can be bought without one.
Inland Marine Insurance

Signs not attached to a building are usually not covered unless specifically named. You can buy any limit and can often get it without deductible. Signs attached to buildings may be covered but because of the wide variety of situations, you should clarify it with your agent.

Any jewelry or fine art of significant value should be covered under a separate "floater" policy form. Discuss this with your agent. You need not put costume jewelry or average house art on special coverage if you insure your stock.

Property in transit is generally not covered on standard property forms and unless it is of significant value should not be.

Computer equipment and software can be covered under the contents form or under a special "EDP" (Electronic Data Processing) computer form. EDP forms are different for different companies. Your agent must compare them for you. Generally they provide for broader coverage than a standard property form.

The coverage is more expensive because of more coverage. One area of broader coverage is payment for claims includes cost to reenter information into the computer. In a standard fire form a disk with a list of donors would be replaced with a blank disk.

As a rule if you keep copies of all programs and data off premises and backup your system on a regular basis of at least once a week, it is okay to buy coverage on the standard form.

Equipment off premises is generally not covered under standard property forms and unless it is of significant value it should not be. One common exception is where you have two locations close by and make trips between them with a fork lift. There could be a gap in coverage if the fork lift were destroyed while off the premises. If you felt you have an exposure to this potential loss, you can buy specific insurance for the fork lift.

Automobile Insurance

Trucks and cars are probably your greatest exposure to a large liability claim. They are insured much like your personal autos but on a business policy. The standard coverage’s are as follows.

Bodily injury and property damage covers injury or damage to property of the public. You can buy a split limit of insurance for the bodily injury separate from the property damage. Such a limit could be $100,000 per person, $300,000 per accident for bodily injury and $50,000 for property damage. Another way is to buy a combined single limit of $300,000 for bodily injury and property damage together. Although the split limit if totaled could conceivably pay more, $350,000, most agents would pick the combined single limit of $300,000 because the entire amount is available for one person if needed or for property damage which can easily exceed the $50,000 limit.

The limit for automobile should be at least as high as on the store or even higher because of the high potential for a serious injury claim. Limits of $1,000,000 or higher would be recommended.
No fault insurance is used in some states. Since no fault varies by state, you should consult your local agent for advice on how it works in your state.

Uninsured and underinsured insurance pays for bodily injury to the people injured in your vehicle if the person that is at fault has no insurance or limits below the amount of the settlement for injuries. It does not cover damage to your vehicle, only bodily injury. Very often this limit is the same as the bodily injury limit.

Medical payments coverage will pay the medical bills of people in your vehicle regardless of who is at fault for causing the accident. This is an important coverage for your volunteers that are not covered by workers compensation. Any employees injured in an auto accident will have all medical paid by workers compensation. A common limit is $5,000. If you use volunteers frequently in trucks, you may want to go higher, say $10,000.

Physical damage coverage on your own vehicle will cover the cost to repair or replace your vehicle if damaged in an accident or stolen.

The coverage is split into two categories, comprehensive and collision. Comprehensive damage covers anything that happens other than collision. Examples would be theft, fire, windstorm and similar perils.

There is a separate deductible on each coverage. The most common ones are $100 on comprehensive and $250 on collision. Higher deductibles can be purchased.

If you do go higher, be sure to see if the savings in dollars will exceed your extra cost for the number of claims you usually have each year.

You can buy "specified perils" instead of comprehensive. This is usually significantly cheaper and will begin being practical when the number of vehicles you have increase.

There are several levels of this coverage. Buy the one with the most perils covered. For practical purposes the choice of specified perils instead of comprehensive means that claims for glass damage will not be covered.

Hired and non-owned auto coverage will pay for liability claims you are responsible for on vehicles you hire (rent) and any vehicle driven for your benefit that you do not own. This does not cover physical damage to those vehicles. In renting vehicles, buy that coverage from the rental company. The physical damage of a non-owned vehicle should be covered by the owner of that vehicle.

Non-owned coverage protects you whenever an employee, volunteer or anyone else uses their car for your store. It could be as simple as going to the post office or bank. If they have an accident, they undoubtedly will have a claim against them. Because they were acting on your behalf, you can also be named in the claim. This coverage protects you only and not the owner of the vehicle. They should buy their own insurance.

If you have people regularly using their vehicle for your business purposes, it would be wise to be sure they have adequate insurance.

Hired and non-owned coverage should be bought every time.

Professional Insurance
In the normal store operation you will not have any need for this coverage. If you are involved in professional activities such as counseling, medical assistance and like activities, consult your local agent. If the store is your only activity and is run by a Board of Directors, you should discuss Directors and Officers coverage with your agent.

Employee Injury

Workers compensation coverage pays for all the injuries to employees regardless of fault for the injury. States vary in their laws. But generally it pays all medical bills, a percentage of lost earnings after a waiting period and specified lump sum awards for certain injuries such as loss of a finger or death.

If you have any employees for any length of time, you must purchase workers compensation insurance by law in most states. Failure to do so may result in substantial fines. It may also require you to pay all money that the insurance would have paid. In the case of serious, permanent injuries the cost could easily exceed your ability to pay and result in the loss of your store.

Volunteer injury coverage may be the most difficult to arrange satisfactorily. In some states, volunteers can be included in the workers compensation. The cost could be prohibitive.

You can also purchase volunteer medical insurance that pays in case of an accident. It is much cheaper but has a dollar limit where workers compensation has no medical cost limit. It does not have any loss of income protection. You simply must explore what is available to you and how far you want to go to protect your volunteers.

General Concepts in Buying Insurance

Buy protection first for claims that could put you out of business such as reasonably high liability limits.

Pay small losses on your own property rather than turning in everything that happens. Decide what you can afford and routinely pay. Frequency of small claims will raise your premium.

Never try to settle claims with the public. Let a professional claims adjuster handle it. Failure to turn in claims in a timely manner can compromise the insurance company's ability to investigate and result in a denial of the claim. You would then have to pay it yourself.

Include in your regular routine good loss control to do everything you can to avoid claims. Part of the premium you pay entitles you to the help of the loss control department of the insurance company. Call, request a survey and work with them on correcting any problems they see in your operation.

If you can locate, ask a loss control specialist from an insurance company to volunteer to design and monitor a safety program for your store with periodic inspections.

Periodically have a competitive bid at renewal time. Two agents are enough; too many going to the same companies may have a negative result.
Keep records of all "incidents," with as much detail as possible including pictures of accident cause and witnesses. Any serious injury or potential claim should be called into the agent immediately.

Know who is driving for you and their driving record. Most agents or companies will check for you at no charge and give you the record within a 48-hour period.

Most insurance companies have no-interest payment plans over 8 or 9 months. Ask for the best terms and make your payments on time.

Don't buy price alone. Be sure of the coverage’s and most of all the knowledge of the agent you are dealing with. A few hundred dollars savings in premium is meaningless if a large claim is not covered.

Tell and show your agent everything. Call and ask questions. Inform the agent of changes. (See When to Call sheet)

### COVERAGE’S OF ISO FIRE FORMS

<table>
<thead>
<tr>
<th>BASIC FORM</th>
<th>BROAD FORM</th>
<th>SPECIAL FORM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRE</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>LIGHTNING</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>EXPLOSION</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>WINDSTORM</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>SMOKE</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>AIRCRAFT</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>VEHICLES</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>RIOT</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>CIVIL COMMOTION</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>VANDALISM (NO GLASS)</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>SPRINKLER (LEAKAGE)</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>SINKHOLE (COLLAPSE)</td>
<td>SAME</td>
<td>SAME</td>
</tr>
<tr>
<td>GLASS $100/500</td>
<td>EXCLUDES</td>
<td></td>
</tr>
<tr>
<td>FALLING OBJECTS</td>
<td>ARTIFICIAL CURRENT</td>
<td></td>
</tr>
<tr>
<td>WEIGHT ICE/SNOW</td>
<td>LOSS OF USE</td>
<td></td>
</tr>
<tr>
<td>WATER FROM SYSTEM</td>
<td>AGRICULTURAL SMUDGE</td>
<td></td>
</tr>
<tr>
<td>WEAR, TEAR, ETC.</td>
<td>STEAM VESSEL EXPLOSION</td>
<td></td>
</tr>
<tr>
<td>REPLACEMENT COST — BUILDING</td>
<td>CONTINUOUS WATER SEEPAGE</td>
<td></td>
</tr>
<tr>
<td>WE WILL REPLACE WITHIN LIMITS</td>
<td>WATER LEAK BY FREEZING</td>
<td></td>
</tr>
</tbody>
</table>

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This does not alter policy contract in any way. This is an outline only to direct attention to specific policy provisions to be read for complete understanding of coverage.

<table>
<thead>
<tr>
<th>REPLACEMENT COST - CONTENTS</th>
<th>EMPLOYEE FIDELITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE WILL REPLACE WITHIN LIMITS</td>
<td>VOLUNTARY PARTING</td>
</tr>
<tr>
<td>WITHOUT DEPRECIATION</td>
<td>RAIN SNOW PROP IN OPEN COLLAPSE</td>
</tr>
</tbody>
</table>

**CLAIM PROCEDURES**

**YOU SHOULD:**

1) **Call when you suffer an actual loss,** have damage to your property, when someone has made a claim against you, or you feel they might.

2) **Protect** your property from further damage.

3) ** Separate** damaged from undamaged property.

4) **Inventory** damaged property.

5) **Retain** damaged property for the insurance company.

6) **Protect the public from any further harm.**

7) **Remain at the scene of any** auto accident until the police arrive.
8) **Provide to your insurance company representative all information applicable to your claim** such as: police report number, proof of loss, proof of value, actual appraisal, or any other pertinent information they request.

9) Seek your attorney's advice before discussing a claim with anyone other than your insurance company representative.

**If you accept a "total" settlement payment, you must advise your agent so he can delete that item from your policy and you will not be charged premium for something you no longer own. Call your agent any time you feel you need assistance in regards to a claim.**

**YOUR AGENT NEEDS YOUR HELP TO HELP YOU**

**PLEASE CALL WHEN:**

1) You have **additional locations** or new construction.

2) You have a **change in the value** of your buildings, equipment, or stock.

3) You are **planning** any operations in a new state.

4) You have **added or deleted** any vehicles or equipment.

5) You have a **change in ownership** or business structure.

6) You have taken on any **new contractual** obligations.

7) You have a **significant change** in payroll or sales.

8) You are **planning a change** in security or protection.

9) You have any other condition or operation you feel presents a potential insurable loss.

**SUB-CONTRACTORS LIST**

The following are suggested minimum insurance coverage’s you should require from all subcontractors working on your premises:

**COMPREHENSIVE GENERAL LIABILITY** limits to be minimum of $1,000,000 for Bodily Injury and Property Damage combined.

- Coverage’s should be the new ISO form with none of coverage’s listed below deleted:
  - Premises & Operations
  - Completed Operations
  - Products
  - Independent Contractors
  - Collapse
  - Underground
  - Explosion (if any blasting)
  - Personal Injury ABC EXCL "C" DELETED Blanket Broad Form Contractual
Section 8: Property and Casualty Insurance

- Broad Form Property Damage
- Host Liquor Liability
- Incidental Medical Malpractice
- Employees as Additional Insured’s

**COMPREHENSIVE AUTO LIABILITY** limits to be a minimum of $1,000,000 for Bodily Injury and Property Damage combined.

Include all owned, non-owned and hired vehicles.

**WORKERS COMPENSATION**, Statutory Limits. All tools, equipment, supplies belonging to contractors are their responsibility.

You should require contractors to name your company as "Additional Insured’s," so that any claims naming the contractor and you, will come under his policy.

Also, require a 30 day notice of cancellation or non-renewal. If possible, ask for words "endeavor to mail" to be stricken from the certificate so they have a legal responsibility to inform you if coverage is cancelled.

These should be considered minimum requirements to protect your company. Any other coverage’s or higher limits are of course in your favor.

**Your agent will be very happy to review any certificates with you. If you have any questions, please call them.**
SECTION 9: SMALL STORE OPERATIONS

General

A small St. Vincent de Paul operation is one that almost any conference can set up and operate, in order to raise funds for their needs. Almost any location can be used; some operate from a church basement or any location if it has public visibility. As business grows you can expand into bigger quarters. Always keep in mind your overhead costs. While renting is a good way to start, it is best if you can buy a building.

You will need a manager who has knowledge of the clothing business and working with people. You may not have funding to pay employees, but volunteers are out there who can be depended on. Senior citizens are terrific, male and female. Church bulletins and word of mouth will bring them in. Scheduling depends on store hours of operation, but plan on having two people on at all times. Hours will vary according to your area.

Keeping records is very important. All income must be recorded (sales and cash donations). List them separately. A complete expense listing must also be kept. Donations (give-aways) to clients must also be listed. Accounting is a must.

You also need insurance for liability etc. Usually you can go through the Diocese for this and it is a little more reasonable.

It is best if you can get a CPA to take care of your records. They can file your 990 forms, establish your 501c3 status and in general keep you up to date on all changing rules. Also if you reach a point where you can afford some paid employees the CPA can take care of payroll as well as state sales tax, etc.

It is also highly advisable that you have a Store Committee. These people do not have to be members, but should be well known, local, business people. They will help you to set up guidelines for operations and give you much valuable advice, and if problems arise, they can help you solve them.

Equipment, again, depends on size of the operation. Racks, shelves and tables, a check-out counter and cash register are essential items. Clothing should be displayed much as it is in a regular store. Sizing in nearly impossible, but colorizing works well. The store must be kept neat and clean. When volunteers are not busy with sales, they can be asked to straighten racks and shelves.

Goods must be rotated, if they don't sell in a reasonable length of time, get rid of them. If you find you are overstocked, a 25 cent sale or bag sale will do wonders to thin it out. You will also be surprised at the revenue this will bring in.

Set up a time for a delivery of donations to the store. If you have someone to pick up donations, all the better. Once they are received at the store you will need some people to sort and prepare them for display. If you have a lot of storage space, you can keep the best out-of-season goods, to be put out later.
Keep only the best. People will not buy stained or torn clothing, nor will they buy what is not in style. Pricing is optional, really depends on your area, and what your customers will accept. Non-essential items can be priced a little higher.

Check with other SVDP stores in your area to see if there is a rag dealer to take your discontinued goods. This can be a money maker for you.

Be alert to the fact that small stores can become large stores, if need and know-how are there. If you are making less than $50,000.00 a year, consider that you have a small store operation.
SVDP Mobile Thrift Store

The Concept

The philosophy of the SVDP Mobile Thrift Store is to bring affordable clothing to people who cannot, for whatever reason, travel to our thrift store itself. The mobile store broadens the ministry of our store by using SVDP’s truck, which carries items from our permanent location to a temporary host location.

The temporary location may be urban, suburban, or rural — wherever there are a substantial number of people in need of the service. Host organizations may include SVDP conference, other churches, social service or government agencies, hospitals, schools or any other group that wishes to serve their needy community members.

One of the considerations in developing the SVDP Mobile Thrift Store was that it must provide a service to the conferences of St. Vincent de Paul. The mobile store enables conferences to host a temporary thrift store at or near their own parishes open to the local community. It also gives parishioners an opportunity to donate their own clothing to be used either during the mobile store’s visit or at the permanent store without having to take it anywhere by their own parishes. Hosting the SVDP Mobile Thrift Store is helpful to conferences who want to make affordable clothing available to local communities.

The Contract

The Mobile Store operates as a partnership between the SVDP store and the host organization. In order that both parties may understand their responsibilities, a contract is signed. The contract clearly states that the SVDP representative will:

- Provide the clothing and equipment necessary for clothing sale including change, racks, and clothing.
- Assist the host in planning an advertising campaign.
- Provide a minimum of 2 volunteers for the sale itself.

The host must:

- Publicize the event in the community.
- Provide 4 volunteers for the sale itself.
- Optionally coordinate with the host for a clothing drive.

Should the host organization not fulfill its responsibilities, it would forfeit any profit the sale might bring.

The contract also stipulates how the income from the sale will be handled. The first $100 is returned to the SVDP Thrift Store from which the clothing comes. This fee is extracted in order to offset the costs of the clothing and truck. The income remaining after the fee and taxes is split between the host and SVDP. Although the goal of the mobile store is not to make a profit, but rather to serve the needy families in the community, we have found that some hosts who advertise well do make a profit. We have seen the store bring in as much as $500.
In this case, the host organization took almost $200 away from the day to support their continuing ministry. (See appendix 1.)

**Finding a Host**

Almost any organization that has a connection to and an interest in serving the poor in their community is a possible Mobile Store host. This includes, but is not limited to SVDP conferences. You may want to contact other churches or social service agencies. We have worked with school social workers and low income housing complex managers.

If you wish to serve a target population, you can look for an organization already working with them. For instance, we have extended invitations to mission churches in Hispanic and Vietnamese communities to host mobile stores. In an effort to reach the migrant farm workers, we contacted an advocacy group and advertised in their newsletter. When looking for a host, think broadly!

You can always begin the search by contacting your conferences. Then, if your permanent store has a giveaway ministry, look to those who make referrals to the store. Give them a chance to serve the whole community. Appeal to professionals with whom you already have a working relationship, such as the school social workers I mentioned above. You can also initiate a relationship with any group that you know is active in a particular community.

It is better to meet with a group's representative in person. This meeting gives you a chance to sell the idea and demonstrate your enthusiasm. If the group is interested, try to set a date immediately. You can follow up by asking them to send a signed copy of the contract to you once the details are worked out. But setting a date helps to ensure that the excitement generated by the meeting will not be lost.

After a host has been identified, you must select a site. The host is chosen because they know the community, so it is best to allow them to select a site, but there are a few things you should keep in mind. The idea of the Mobile Store is to be in close physical proximity to the people in need.

Make sure that the site you choose meets this expectation. Ask yourself, is this location easily accessible to the people we want to serve? Are we meeting them where they are? Church halls, apartment complex parking lots, community centers and other similar areas can all be perfect sites for the Mobile Store as long as they are convenient to get to and easy to find.

Be careful not to choose a site open to the general public, it will seem like a regular yard sale to those passing by. The low price is intended to assist those in need and if the site is too accessible to the general public you will get customers in BMW and Mercedes Benz. If the season allows, it is nice to have the sale outdoors. Of course, you need a back-up space or date in case of rain.

**Advertising**

As the contract states, the responsibility for publicizing the Mobile Store is shared by the host and SVDP. However, the host has been chosen because it knows the community well. Therefore, the host organization clearly should be "in charge" of the advertising. We have found that advertising and volunteer support are the keys to a successful Mobile Store. (See appendix 2.)
Remember that although you do want the event publicized throughout the community, the Mobile Store is designed and intended to meet the needs of the poor. You don't want to encourage yard sale buffs and others looking for a bargain. While you may advertise in the local paper, post flyers in shopping malls and grocery stores, the advertising strategy should be developed with the target population in mind. You need to make a special effort to reach them.

Here are some suggestions for doing so. When working with a conference, have flyers distributed in neighborhoods, mobile home parks, and/or apartment complexes where they regularly make home visits. Find out what other government or private social service agencies are working with the poor in the community. Approach them and ask them to post or distribute flyers to their clients. Visit public and low income housing units.

Don't forget about the elderly in the area. How can they be reached? If you are working with a church, include an announcement in the bulletin. All of the above are suggestions. The goal is to reach as many needy people as possible.

**What to Bring**

We have developed two Mobile Store inventories based on the needs of the season. (See appendix 3). However, you will want to adapt the list according to the needs of the community. For instance, for a "back to-school" sale, more children's clothing would be needed. Seek the advice of your hosts when planning what to bring. Will men use dress clothes like suits and ties, or should you bring more jeans and T-shirts?

Is there a need for any special sizes? For example, in a largely Asian community, smaller sizes would be advisable. Talk with your host about the community and together determine how you can best serve them.

If you are holding a clothing drive in conjunction with the Mobile Store, you may be able to supplement the clothing you bring with the clothing collected. However, we recommend that the primary supplies be prepared in advance and brought from the permanent store. This way you can avoid having to organize and sort clothing during the sale itself: Whatever is not sold can be taken back to the store.

**The Sale Itself**

The merchandise and volunteers should arrive at the site at least one hour before the sale begins in order to set up. The site should be divided into 4 areas: children, women, men, and household. Then tables and racks should be arranged in each area. Signs indicating the type merchandise are helpful. The boxes are then unloaded. Each box should be labeled to describe its content and should be taken to the corresponding area. We usually hang only the men's suits, women's dresses, coats, and curtains. The remaining merchandise is either folded on top of the tables or left in the boxes.

As each customer comes in, we hand them a large shopping bag to fill. When the customer is ready to leave, the merchandise is transferred to another bag as a volunteer counts the number of items. Make sure you take a generous amount of plastic bags. We use the trash bags that come in a roll. Also make sure you take appropriate amount of change, we take $80.00 of change comprised of a roll of nickels, a roll of dimes, 2 rolls of quarters, and $1, $5 and $10 bills.
At the end of the sale, volunteers pack the remaining items in the corresponding boxes and load the truck. Two helpful hints are to take loading carts/dollies and to use uniform boxes. Our boxes were donated to us by a chicken packing company, they have lids, openings as handles, they are covered with a waxy film to prevent them from getting wet, and they are all the same size. Do not fill the boxes so heavy as to present a burden to some volunteers.

Before leaving, the money is counted so that the host organization may have an idea of their share of the sale.

Follow Up — Financial Report

At the end of the sale, we fill out a report and send a copy of it to the host organization including a check for their portion of the sale. (See appendix 4.) We ring up the sale in the store register as a regular sale, but first we determine what portion should be allowed for taxes. So for example, if at the end of the sale we end up with $290.00, we should first remove the $80.00 starting change. We are left with $210.00 in sales. If our tax is 5%, then we ring up $200.00 in sales and $10.00 in taxes. Then we subtract the operating fee, in our case $100.00, and the profit will be $100.00 which we share equally with the host organization.

APPENDIX ITEMS ON FOLLOWING PAGES.

Appendix 1

Contract for the SVDP Mobile Thrift Store

Between St. Vincent de Paul and the Host Organization

Items will be sold to the host community at a price ranging from $.25 to $.50 per item maximum in order to serve the community.

The SVDP Thrift Store will provide clothing to be used during the Mobile Store event. The host o-ration is encouraged to sponsor a clothing drive from which SVDP will carry donations back to the thrift store in Chamblee.

The SVDP Mobile Store will provide a flyer to be used as advertising. SVDP and the host organization will create an advertising strategy (i.e. to whom the flyer will be given). The host organization will be responsible for distributing the flyer, making contacts and ensuring that the Mobile Store is well ad-vertices within the community.

The SVDP Mobile Store will provide four (4) workers/volunteers to be present during set-up, store operation, and take-down of the store. The host organization will also provide four (4) workers/volunteers to be present during set-up, store operation, and take-down.

The SVDP Mobile Store will provide two (2) tables, five (5) clothing racks, hangers and bags. The host organization will provide the space in which to set up the store, as well as tables and chairs if available.

The SVDP Mobile Store will provide money to make change.

Profit is any money made after a $100 charge (helping to cover truck, clothing and miscellaneous ex-lenses) and sales taxes are taken out of the Mobile Store's sales during the
particular event. Any profit made will be split 50/50 between SVDP and the host organization. The profit share will be sent by SVDP to the host organization in the form of a donation check with an attached explanation of sales, taxes, expenses and profits.

NOTE:

If the host organization does not meet the obligations agreed upon in the contract for the Mobile Store event, then SVDP reserves the right to withhold all profits of the sale.

SVDP Mobile Store Rep. Date Host Organization Rep. Date

Date of Event: _______________________

Place: ______________________________

Hours: ______________________________
THE SAINT VINCENT DE PAUL SOCIETY PRESENTS THE:

SVDP MOBILE
THRIFT STORE!

JULY 21 9:00am-3:00pm
MEN'S WOMEN'S AND CHILDREN'S CLOTHING
ROPA PARA CABALLEROS, DAMAS Y NINOS
$.25 PER ITEM/CADA PIEZA

AT ST. VINCENT DE PAUL
26 3RD ST.
between W. Peachtree St. and Spring St.
across from the North Ave, Marta Station.

TODOS ESTAN INVITADOS! EVERYONE WELCOME!
### Appendix 3

**CHECK-LIST FOR MOBILE STORE – Fall/Winter**

<table>
<thead>
<tr>
<th>WOMEN</th>
<th>MEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweaters (1 to 3)</td>
<td>Dress pants (3)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Blouses (2)</td>
<td>Dress shirts (3)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Dresses (5)</td>
<td>Knit shirts (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Coats (1 to 3)</td>
<td>Shoes, belts, ties (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Maternity (at least 1)</td>
<td>Shorts (2 to 3)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Pants (2)</td>
<td>Suits (5)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Shirts - knit (3)</td>
<td>T-shirts (4)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Shoes, belts, purses (2)</td>
<td>Coats (1 to 3)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Shorts (1 to 2)</td>
<td>Work pants - jeans (5)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Skirts (4)</td>
<td>Underwear, socks (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Sleepwear (2)</td>
<td>Sweaters (1 to 3)</td>
</tr>
<tr>
<td>Underwear, socks (2)</td>
<td>*</td>
</tr>
<tr>
<td>Total: 26-29 boxes</td>
<td>Total: 28-32 boxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHILDREN</th>
<th>OTHER — SAME BOTH SEASONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby (5)</td>
<td>Tents (1 to 4)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Boys (6)</td>
<td>Baby Blankets (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Girls (7)</td>
<td>Blankets (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Toddler-boy (3)</td>
<td>Curtains (2)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Toddler-girl (3)</td>
<td>Coupons (50 copies)</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Shoes (3)</td>
<td>Bags (1 - small and big)</td>
</tr>
<tr>
<td>Coats (1 to 3)</td>
<td>Glasses/dishes (1)</td>
</tr>
<tr>
<td>Total: 28-30 boxes</td>
<td>Hangers (2)</td>
</tr>
<tr>
<td></td>
<td>Toys (2)</td>
</tr>
<tr>
<td></td>
<td>Sheets (2)</td>
</tr>
<tr>
<td></td>
<td>Supplies (1)</td>
</tr>
<tr>
<td></td>
<td>Signs, photos, info</td>
</tr>
</tbody>
</table>
### Section 9: Small Store Operations

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td></td>
</tr>
<tr>
<td>Tables (2)</td>
<td></td>
</tr>
<tr>
<td>Racks (4)</td>
<td></td>
</tr>
</tbody>
</table>

*depends on weather

Total: 15 boxes + misc.

---

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### Appendix 3

**CHECK-LIST FOR MOBILE STORE – Spring/Summer**

<table>
<thead>
<tr>
<th>WOMEN</th>
<th>MEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathing suits (1)</td>
<td>Dress pants (3)</td>
</tr>
<tr>
<td>Blouses (2)</td>
<td>Dress shirts (3)</td>
</tr>
<tr>
<td>Dresses (5)</td>
<td>Knit shirts (2)</td>
</tr>
<tr>
<td>Jackets (1 to 3)</td>
<td>Shoes, belts, ties (2)</td>
</tr>
<tr>
<td>Maternity (at least 1)</td>
<td>Shorts (2 to 3)</td>
</tr>
<tr>
<td>Pants (2)</td>
<td>Suits (5)</td>
</tr>
<tr>
<td>Shirts - knit (3)</td>
<td>T-shirts (4)</td>
</tr>
<tr>
<td>Shoes, belts, purses (2)</td>
<td>Jackets (1 to 3)</td>
</tr>
<tr>
<td>Shorts (1 to 2)</td>
<td>Work pants - jeans (5)</td>
</tr>
<tr>
<td>Skirts (4)</td>
<td>Underwear, socks (2)</td>
</tr>
<tr>
<td>Sleepwear (2)</td>
<td></td>
</tr>
<tr>
<td>Underwear, socks (2)</td>
<td></td>
</tr>
<tr>
<td>Total: 26-29 boxes</td>
<td>Total: 28-32 boxes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHILDREN</th>
<th>OTHER — SAME BOTH SEASONS</th>
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</thead>
<tbody>
<tr>
<td>Baby (5)</td>
<td>Tents (1 to 4)</td>
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<tr>
<td>Boys (6)</td>
<td>Baby Blankets (2)</td>
</tr>
<tr>
<td>Girls (7)</td>
<td>Blankets (2)</td>
</tr>
<tr>
<td>Toddler-boy (3)</td>
<td>Curtains (2)</td>
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<tr>
<td>Toddler-girl (3)</td>
<td>Coupons (50 copies)</td>
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<tr>
<td>Shoes (3)</td>
<td>Bags (1 - small and big)</td>
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<tr>
<td>Jackets (1 to 3)</td>
<td>Glasses/dishes (1)</td>
</tr>
<tr>
<td>Total: 28-30 boxes</td>
<td>Hangers (2)</td>
</tr>
<tr>
<td></td>
<td>Toys (2)</td>
</tr>
<tr>
<td></td>
<td>Sheets (2)</td>
</tr>
<tr>
<td></td>
<td>Supplies (1)</td>
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<tr>
<td></td>
<td>Signs, photos, info</td>
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<tr>
<td></td>
<td>Money</td>
</tr>
<tr>
<td></td>
<td>Tables (2)</td>
</tr>
<tr>
<td></td>
<td>Racks (4)</td>
</tr>
</tbody>
</table>

*depends on weather

Total: 15 boxes + misc.
Appendix 4

The Society of St. Vincent de Paul Mobile Thrift Store

REPORTING SHEET

Date:____________________
Location:______________________________________________________________
Host Organization:________________________________________________________
Address:________________________________________________________________
Contact:________________________________________________________________
Hours:___________________________________________________________________

Who were present?: _______________________________________________________
_________________________________________________________________________
_________________________________________________________________________
_________________________________________________________________________

How much sold?___________

Itemization:
  Sales:__________________________
  Tax:___________________________
  Truck expenses. $100.00________

Profit:________________________
Amount for Host Organization:___________
Amount for SVDP:_____________________
Any comments:____________________________________________________________
_________________________________________________________________________
SECTION 10: WAREHOUSE OPERATIONS

Big city stores and small town operations all need a well-organized warehouse operation. It might be called a "processing center" or simply the "back room." Whatever you call it, a well thought out warehouse operation that implements your business strategy will be the key to the success of your operation.

Everything in a store's operation is connected to everything else (or should be). Nowhere else is this more evident than in your warehouse. If it is poorly run it affects the truckers' and other donors' ability to unload. If it is poorly run, good merchandise does not get to the sales floor or to the clients. It is here that marketing and pricing starts and it is the heart of your recycling operation.

In this chapter we will outline how a warehouse operation reflects your overall strategy, what choices you have in creating an effective operation, and suggests resources for your operation. Different models will be proposed and advantages and disadvantages listed for each model. There is not a right or wrong way to run a warehouse; however, if you are operating with a model and are not getting most of the advantages of that model but are getting the disadvantages, you will want to consider reorganizing.

The parts of a warehouse operation will vary from location to location. In this chapter we will consider:

A. Unloading and donation reception
B. Rough sorting process
C. Sorting clothing and textiles
D. Pricing clothing
E. Pricing miscellaneous hard goods
F. Recycling and waste removal
G. Storing seasonal items
H. Setting standards for accountability
I. The use of volunteers
J. Central warehouse vs. on-site processing

Subsequent chapters of this manual will give further information on other aspects of warehouse operations, such as recycling, rags, and equipment.

A. Unloading and Donation Reception

The key to an efficient loading dock is having the right facilities and equipment to appropriately handle the volume of donated goods you are receiving. The next most important factor is having a well-trained staff.

If you are in the fortunate position of building or remodeling a facility, give your docks, doors, and material handling equipment serious consideration and be willing to spend
some money on them. Having the right design will save you time, money and aggravation on a daily basis for years.

If possible, have docks about the height of your trucks so items can be directly rolled off and on. You also need to consider easy access for people unloading and loading at ground level. At least one dock should be semi trailer height to allow loading rags and unloading other incoming freight. If you are not able to have the correct height dock, hydraulic lifts large enough to accommodate a forklift or a ramped platform can be built into the facility.

You are also going to want to conveniently locate your garbage and recycling pickup. In many locations you will probably want to be able to locate your trash dumpsters inside to prevent vandalism and potential fire hazards. To do this you may need to provide garage doors to accommodate dumpster pick-up.

Most "waste haulers" have salespeople that are very willing to come and consult when you are designing a new facility. When considering your layout, plan for future expansion that may include trash compactors or roll-away type dumpsters. Allow for your future growth and expanded need for additional capacity.

Anything you can do to make moving bags and boxes around with ease is worth doing. It will speed up your operation, reduce damaged goods, and make your employees' lives easier. Everything from plywood boxes on wheels to conveyor belts are used successfully in thrift store warehouses.

There are commercial companies that specialize in this equipment. Use their advice. Certainly realize that these are salespeople, so don't buy what you don't need; but they are also professionals who know what products are available and advise businesses everyday on how to handle material efficiently. In doing this you may also see something that could be more cheaply designed and built by your staff or volunteers.

The other great source of ideas is visiting other facilities. Certainly visit other St. Vincent de Paul Stores. You will also be surprised by how many of our "competitors," like Goodwill, Salvation Army and Desert Industries, are willing to give us a tour. Don't limit your visiting to thrift stores. Commercial laundries (e.g. uniform companies) process tons of clothing and are often willing to show how they move them in their operations. Recycling plants, freight depots, UPS and even the Post Office can give you ideas of how to move material off trucks and through a warehouse. Most of these places are happy to talk to someone from a St. Vincent de Paul Store.

On your loading dock, besides having the right equipment, the next most important key is having a well-trained staff. They should know what is to be done with all the items they unload. Your staff will also need to be aware of public relations as the loading dock people are often the ones who meet your donors. The impression they make on people is often more lasting than the efforts of management to create an image of the Society.

You may also consider the visual image that the public sees if they come into your dock area. Are the donations handled with care or are they trampled on carelessly? Take a look at what kinds of posters may have been posted around this area. Are they offensive? In any area of operation visible to the public, you must be sure to maintain a positive image.

B. Rough Sorting Process
For processing your donations, you need a plan that will take the material in bags and boxes and turn it into merchandise or donatable goods in accordance with your sales strategy. Then you need to create the physical system for following that plan. It may be helpful to outline the plan and check it with your employees to make sure they understand it and have a chance to offer their own suggestions. Keep fine tuning this plan; little improvements in where things go and how they are handled will save money, make life easier for employees, and get you the most income for your donated goods.

Like any other business you want to produce the greatest amount of saleable goods at the lowest cost to you. In evaluating your system consider the number of times an item is handled and the productivity of each worker.

Most warehouses will start the sorting process with a rough sort. In this step the boxes and bags are opened and the useable goods separated from what is obvious-lee garbage. It makes sense that this step occurs nearest the unloading site and nearest the garbage and recycling station. Then the useable items will be separated by type of items (clothing, misc. household items, small appliances, etc.) and sent to where they will be processed and priced. Give consideration to the layout of this area for the sake of efficiency and plan to buy or build the right type of equipment to move the goods to the next step.

C. Sorting Clothing and Textiles

From the rough sort area your clothing will be sent to be sorted more specifically. Sorting can be done on a table or out of a bin; some places even sort directly from conveyor belts. The sorting station should be set up so employees do not have to bend over bags on the floor all day. Make some tables, carts, or bins for the items to be put on. It will make for happier, more productive workers.

Good lighting is very important if you want your people to sort for stains, rips, etc. Most places take all clothing off hangers before sorting so the hangers don't rip other items in the process. You will want to establish a quality of sort dependent upon your pricing strategy. This sort will look for damage to the goods (stains, rips, tears, odors) and saleability (is it too out of style?, etc.)

According to the plan used for pricing you may send the sorted goods on to the pricing area according to men's, women's, or children's merchandise. You may choose to separate off-season clothing .to be packed (see upcoming section on packing off-season merchandise). The clothing may be sent already hung or it may be hung by the pricer. This will be determined by the type of pricing system you implement and the physical layout of your work space.

D. Pricing Clothing

As in many parts of a successful store operation there is no correct way to set a pricing system. You need to choose a method of pricing and then make sure that you get the advantages the system offers and that the system meets your overall objectives. Here are four systems that are used with varying degrees of success, along with their advantages and disadvantages.

1) All types of items priced the same (i.e. all women’s pants $3.00, all men's shirts $2.00). The clothes can be hung or put in bins in departments and categories, usually "weeding out" is done by the manager recognizing items that have been on racks "too long."
Advantages include:

a) low labor cost in sorting and pricing
b) customers get good bargains
c) items move through the warehouse fast
d) no cost for tagging supplies

Disadvantages include:

a) good items sell fast; the rest can go slowly and clog up the retail floor unless you have a lot of space or a manager who "weeds" regularly
b) the store does not receive the full potential value of quality items

2) A second method is similar to the first regarding how the warehouse processes the goods but differs in that the price is set at the cash register by the clerk. To some people this may seem strange but several of the most successful stores in the Society operate on this model.

It's advantages include:

a) low labor sorting and pricing
b) no cost for tagging supplies
c) items move fast through warehouse
d) unlike the previous system the store does get full potential value of quality items

The disadvantages include:

a) some customers hate not knowing what the price is
b) potential exists for clerk to exert favoritism in pricing, with the resultant negatives

3) A third system is one similar to that used by our most aggressive for-profit competitors. Items are hung with the prices hand-written on colored paper tags stapled to the garments. The color of the tag is changed on a 3 day to 1 week rotation so the sales clerks know how long an item has been out. After the items have been out a week or two all items with that color tag are reduced to half price. After several days at the reduced priced they are removed from the sales floor. In this process saleable clothes are hung by multiple sorters. Only the worst clothes are taken out to be rags. The prices are written on tags by an experienced supervisor.

Advantages include:

a) each item is priced to get potential value
b) tagging process is simple and labor costs remain low
c) smaller staff can produce a larger quantity of items
d) the color code system identifies slow moving stock and then the price is reduced, keeping the sales floor from being crowded with slow-moving items
e) the customers do much of the sorting for you on the sales floor
Disadvantages include:

a) a large retail area is needed to display the goods (many stores use a two-tiered racking system)

b) the system is dependent on the judgment and expertise of the person pricing

4) A fourth system of pricing clothes involves the use of a computer to set the price and create tags for each item. As in the previous model, items are sorted and hung. The sort for this process should be finer, putting only better clothes through the system, as there is more labor and cost added to each item.

There are programs that let the management set the price of any particular item based on a judgment by the pricer of the garment's quality (good, better, best). The tag generated by the computer will have a description of the item, its size, its price, and codes that will let management know the week it was produced and by which employee. The system most familiar to Vincent de Paul stores was created by CompuSource, but others are available.

Advantages include:

a) management controls the prices and they may be easily raised and lowered in small increments

b) management can track the production of clothes and employee productivity

c) system allows for an easy way to put sizes and descriptions on tags, allowing the retail floor to be arranged by size, a feature much appreciated by customers and a factor for increasing sales

d) each item is priced so its potential value is obtained

e) the retail clerks can identify when an item was produced and put slow-selling items on sale

Disadvantages include:

a) initial set-up costly

b) more labor-intensive than some models

c) expense involved in purchasing tagging supplies

There are other variations of these models. Find one that has the most advantages for your operation, and then continually work to improve how you operate. Good communication between the staff on the sales floor and in the warehouse will be valuable in making improvements on the price structure and the saleability of your clothes. Clothing is a major part of our store sales. Therefore, setting up the system you use to price and display the clothes is one of the most important decisions you make.

E. Pricing Miscellaneous Hardgoods

Once again have a plan that moves the most goods through the system in the least amount of time while getting the most out of each individual item. Most places price each item with either gummed stickers or a grease pencil or marking crayon. Some places do, however, have a uniform price for all types of articles (i.e. all plates $.50).

You will need to decide if it is worth taking the time to price all plates individually between $1.00 and $.35 to get the most out of your donated items. This is not as simple a
decision as you might first expect. Often what will happen with the uniform pricing is that all of the more valuable items get sold immediately and your shelves get jammed with lower quality items. (For example, all of the $.75 plates sell while the $.40 plates accumulate. You end up throwing the lower-priced plates away and get nothing for them, or they go on half price and you get $.25 for them.)

If you do have a system of individual pricing, you will still need to have consistency of pricing on items according to quality. If you do not, you will have difficulties at the cash register. Prices can vary but there should be logic to the variation and there should be a consistency among different people pricing similar items.

You will probably need to clean articles, and you may even find small repairs to be warranted on better items. Each store has to look at its own volume and its ability to get enough out of an item to justify an employee's efforts in improving the value of the item. Store managers may need to develop cost criteria to evaluate whether or not some items are worth the time an employee will spend preparing the item for sale.

For example: you may determine that the time taken by hardgoods pricing should not exceed 10% of what you will get for the item (this figure is probably high). If you pay the pricer $6.00 an hour, every minute of their time is worth $.10; therefore, if an item is priced less than a dollar, not more than a minute should be spent cleaning, testing, pricing, and packing it.

How do you come up with such a number? Honestly, it is part guess. You can, however, plug in some other projected figures from your expense analysis. Let's continue the example: say you expect a 30% profit on your sales (this # may include what you intend to give away besides your cash profit); that gives us 70% to divide up.

Look at your expenses and make each item pay its own way. So you assign 20% to rent, utilities and garbage removal, insurance, advertising, and other fixed expenses; 10% to truck help and truck maintenance; 10% to cover the cost of the sales and maintenance personnel; and 15% to cover management and accounting costs.

This leaves you with 15%. However, you take into account that one out of three items will not get sold because they don't work or are not in demand. Therefore, assign 5% of this wasted effort, leaving you about 10% costs that can accrue in the actual sorting and pricing of these items in the warehouse.

You will not take the time to do this for most items, but will want to use management tools like this to keep yourself in check.

Many experienced managers are probably able to figure this out by intuition. New managers will find such tools useful. Experienced or not, managers may benefit from checking intuitions with reality because prejudices do develop. You may use such checks to stop fooling around with items, or to raise the prices, or to start selling items you used to throw away.

Think about this example: How long do your people spend testing and preparing a string of Christmas tree lights that you sell for $1 or $2? Most places would probably take several minutes. That does not meet the standard you set of 10%, but you can hardly get any
more since they are sold so cheaply brand new. Are there items like books that you do not give much attention that would warrant the time spent with them?

In pricing items, look for a system that minimizes the time spent with each item. A system of compartments, boxes or cubby holes, each marked at a different price, may help organize your pricing. Your more experienced employee could determine prices and put the items into cubby holes, or boxes, while a less experienced person could mark and pack the items.

Prices will vary greatly in different parts of the country. You can start by checking the competition. St. Vincent de Paul Stores will want to be competitive and affordable on the most basic items that low-income people need for their households. This is part of your service to the community.

On luxury and collectable items you should expect to get a price comparable to what other thrift or even antique stores are getting. This profit is then available for you to do the charitable work of the organization. If you do not get "market value" prices on your luxury and collectable items, you lose in two ways.

First, these items will probably get picked up rapidly by dealers who will resell them in their stores at a greater price, and you will not get the profit. Second, these items, if priced too low, will sell immediately to customers who frequent your stores daily, leaving nothing of interest on your shelves. This will make your store less interesting to the average patron who comes in less frequently.

F. Recycling and Waste Removal

St. Vincent de Paul Stores have been in the recycling business for years. We have served the poor by having the privilege of picking through other people's discarded items. We take what we can use and try to responsibly dispose of the rest.

These days, that means paying more and more for the cost of disposal. Therefore, you will need to keep finding ways to recycle and even use as much as you can of what you take in for donations. Disposal costs will keep going up. You should not get so upset with this that you make bad decisions for your business. This is a cost of doing business. You can try to contain it, reduce it by recycling more, and be more careful about what you accept. However, you should not be so concerned about an expense that is usually under 5% of total expenses that you take drastic measures on your pickup side that negatively effects your whole operation. There have been stores that have lost 20%-30% of their donations by taking measures to reduce that 5% trash cost by 10%.

You must keep looking for new markets for your scrap metal, paper, and especially your rags. You will want to read the chapter on recycling for more information.

The warehouse is the place where your recycling efforts are carried out. Set up your space with the moving, storing and loading of recyclables in mind. You will need to process, store and load rags. You will need to have convenient and cost-effective refuse removal, and you will need to continue to set up ways to remove metal, paper, cardboard, glass and plastic from your trash and recycle these items.

This will create a burden on many stores. If this type of recycling is not already required in your area, start planning for how you will eventually comply with it. Rather than
see recycling as a burden, set up your operation to recycle efficiently and use it as a selling point for our Society. Link our name with the growing recycling boom.

Waste disposal will continue to be a problem, and many small municipalities and corporations will be forced out of the collection business. A word of warning: if you are contracting with a company for collection, especially if it is a major national contractor, read the contracts very carefully. Many of them are written with price increases over which you will have no control. Many lock you into long terms, and many must be cancelled months before the renewal date or they automatically renew locking you into another term.

While we are giving warnings about waste disposal, be aware of the many things that are considered hazardous waste that may not be allowed in your landfill. Check with your waste hauler or local officials to see what items you get which you cannot dispose of through your regular system. Most stores receive household and lawn chemicals, paint products, light ballasts with PCV's, floor tiles with asbestos, etc. Not only may you be unable to dump them into your regular waste disposal, but there may be fines for doing so. You will also want to instruct your employees on the proper handling of these items, both for their safety and to protect your organization from future liability.

G. Storing Seasonal Items

Many of our stores pack and save items and sell them in-season. For instance, you may pack all Christmas decorations until December. Some places save "better" toys for Christmas. Seasonal items may also include decorations for Halloween, Valentine's Day, and Easter; summer and winter sports items; picnic items; Father's Day and Mother's Day gifts; and back to school supplies. Many places pack off season clothing and save it. If you are going to go through all the trouble of packing and storing, then unpacking items, you should have a reason for this effort.

Here are three main reasons for the practice:

1) Some items are unsaleable out of season (winter coats & clothing, ice skates, and skis for example);
2) You can get a better price in-season;
3) You can use the items for promotion to bring people to the store.

If you can sell an item any time of the year, you aren't trying to price it any higher, and you don't promote the fact that you have it available, why bother storing it? If, however, you pack your ice skates and skis and have a big winter sports gear sale that brings new customers into the store to buy these items at a good price, it is worth the bother. Some stores will not have the space to even try storing items for months at a time and will need to sell everything as it comes in.

H. Setting Standards for Accountability

In organizing your warehouse, you probably will want to find a way to keep track of what your people are producing and hold them accountable, either as a group or as individuals, for a pre-set expected level of productivity. What does this mean? It means if someone is sorting and hanging clothes, you will probably want to set a level of how many pieces that person should hang in an hour, allowing for a difference in how much is getting
recycled into the baler for rags. Should that person be able to hang a piece for your store every two minutes? I would hope so!

Allowing for breaks etc., figure a seven hour day; that means that a person should hang 210 pieces a day. I would bet there are many stores where employees hang fewer pieces per day, and management is not even aware that their employees are so unproductive. Well-organized warehouses are able to have employees hang 100 pieces per hour. If you got each of your hangers to do 100 more pieces a day, think of your increased sales potential.

Such an expectation may seem rigid or too much like a "sweat shop," but it is necessary in order to run a good operation. A system with no controls is unfair to your good workers. We usually don't even have enough information to thank them for the good job they are doing. It is unfair to them to let others do significantly less work for the same pay and get little appreciation for their efforts.

I. The Use of Volunteers

The heart of the St. Vincent de Paul Society is their volunteer members. However, stores throughout the country using volunteers in their operations have mixed success. One of the more difficult places to integrate volunteers is in the processing part of the operation. This is especially true with larger operations although there are some noteworthy exceptions.

The difficulties arise for several reasons:

1) Many volunteers want to see how their work helps people. This is difficult to sense in the factory-like setting of a warehouse.

2) Some volunteers find it difficult to take direction making it hard to keep production levels high and maintain uniformity in quality and price of goods.

3) Many volunteers who have not spent much time in the processing warehouse will find it difficult to "throw away" items that cannot be used in the retail stores.

4) Some (not most, but enough to deserve comment) volunteers will expect special favors such as first pick of items, lower prices, and maybe free items as compensation for their volunteerism. This can become a serious conflict.

There certainly are advantages to having volunteers at all stages of the operation:

1) Cost is certainly a big factor; every salary saved is money that can be used for charitable works.

2) Volunteers tend to be more committed to the purposes and goals of the Society and act and make decisions accordingly.

3) Often volunteers create a hospitable environment that is enjoyable to work in.

Stores that have successfully used volunteers in their processing operation have several characteristics:

1) Volunteers, like employees, take direction from the store manager and can be "dismissed" if they do not cooperate.
2) A friendly work environment is created by management and volunteers. There are times and places set aside to socialize during which refreshments may be available, people may pray together and plenty of thanks are offered.

3) A dependable commitment is needed from new volunteers. Their attendance (be it once a month or twice a week) must be dependable. Otherwise required work will go unfinished and employees will need to be hired.

4) Longevity of commitment is also helpful. Lacking this longevity, much time will be spent training new help. New help also contributes to inconsistent quality and pricing, and inexperienced volunteers often have objections to throwing away items that an experienced person will realize are unusable and will just take up room in a store.

5) A clear policy about purchasing merchandise must be established and consistently applied even to volunteers.

The availability of volunteers varies from community to community. There is no rule that says when volunteers will or will not work out in warehouse operations. Use of volunteers must be planned for so that they can contribute to your operations and have their needs met as well.

J. Central Warehouse vs. On-Site Processing

In larger cities with several stores there are two schools of thought about the best way of processing donated goods.

1) A central warehouse into which all donated goods flow and from which saleable goods are sent to satellite stores in various stages of having been processed, ranging from items priced and hung, to crates of unprimed, unhung, saleable clothing and every possible stage between the two.

This method has these advantages:

a) removal and baling of unsaleable textiles in efficient manner at one site; efficient handling of refuse and recyclables;

b) easier central control of quality and price;

c) central control of stocking levels at all stores when coordinated at warehouse site rather than at retail site;

d) space cost (purchase or rent) is usually cheaper at warehouse site than it would be at a retail site;

e) trucks can usually be unloaded more easily and efficiently at a central warehouse.

2) On site storing and pricing at each site. Donations, according to some plan or formula, are brought to each store and are sorted and priced by on-site staff. Advantages to this include the following:

a) the pricers and sorters keep in touch with the retail "realities" of each location and price and sort accordingly;

b) it is easier to supervise and hold accountable small work crews;

c) there is potentially less transporting of material (very dependent on how system is set up);
d) many warehouse operations have grown too big to be sustained by the retail component.

Neither way is "best." Both models are operating successfully throughout the country. The key to your decision is to make sure you are getting the advantages of the one you choose. If you have few of the advantages but all of the disadvantages, you should recognize or switch models.

**Conclusion**

No matter what you call it, a well-run warehouse, processing center or back room will be at the heart of your store's operation. Take the time to set it up efficiently. There is no right way or wrong way to do this. Choose a model that works for your city, your building and your management style. When you choose a model, you should get the advantages that come with that model. If you have the disadvantages without the advantages, it is time to reconsider your operation.

There is no better way to learn how to set up your operation than by visiting other thrift stores. Eventually you will want other thrift store managers to come visit you and critique your warehouse operation for suggestions. This constant reappraisal of your operation is necessary for continued growth and service to our mission.
SECTION 11: MERCHANDISING

This is a multi-faceted topic that encompasses product development, market research, marketing, advertising, and other functions whose end result is sales promotion. Many books have been written about this wide subject, so I only attempt to highlight specifically what I consider as the (3) most important facets for implementing a comprehensive plan. These are market research, advertising, and marketing.

Before we get into the facets, we must define our product. In order to have a successful product one basic requirement should be met: That your goods are of a commercially accepted quality, that is, salable. "Acceptable Quality" is a term that is defined by your clientele. In a thrift store the clientele is varied and so is their demand. I shall illustrate:

- The rag dealer who buys by the pound and "acceptable quality" means everything we can bag up with the exception of wet/mildew clothing.
- The antique dealer who buys anything old/unusual including that older table in need of fixing and refinishing that most people would see as trash.
- The teen-aged girl who thinks bell bottoms and polyester shirts are cool, or
- The budget-conscious parent looking for current, gently worn fashions at reasonable prices.

Not all thrift stores have the same combination clientele and you would be wise to spend time researching, targeting, and catering to your specific clientele.

There is also something to be said about the product you will receive from your donors. Not all freely donated merchandise is created equal. What is trash to one may be gold to another. It is your job to figure which is which. There will be, however, certain items you will learn rather quickly that you can't sell. In our store for example, those items are metal desks, broken appliances, or built-in appliances. We don't accept these items because they consume too much space and cost both labor and dollars to dump them. You don't have to take in all that is offered to you, specifically if the item will be a known burden; but beware: strike a balance in favor of accepting too much. If you turn donors away too often they will go elsewhere!

I. MARKET RESEARCH
(Or, don't open a store where you won't have business)

The task of completing a market research is best left to those who know how to study an area of the market. Undoubtedly you will find a member of the Society with the proper experience or willing to follow the many guides available at any public library. The conclusion of your study should be that a particular piece of land will be fertile ground for a thrift store. You can do everything right, have the best prices, yet if your store is located in the wrong place you will fail.

Hopefully, a market research will help you tell the right place from the wrong place. The main questions a market research will ask are:
is there public transport?

is there easy automobile access? plenty of parking?

is the store visible from the street? is there enough drive-by traffic?

are there other businesses that would bring in customers?

are there other thrift stores around? too many? none that sell clothing? is there room for you?

is the neighborhood stable? many businesses going out of business? many new businesses? businesses that have been there for years?

will the location attract your customers? is the area filled with customers that would stop in a thrift store as opposed to the mall?

These are but a few of the many questions you should ask and answer before you open a thrift store. A professional would serve best to advise you on just how many of those answers are needed for a positive result. Remember, this is the single most important step you will take. **The wrong place will guarantee failure!** So invest your time and money in a market research, don't leave it up to chance for you may not get lucky.

II. **ADVERTISING** (Or, how to get them in the door)

Many thrift stores are under the wrong impression that they don't advertise and don't need to advertise. In fact, all stores find ways to stimulate consumers to want what they are selling, that is, advertising. We also need to advertise. I am angered when I hear store managers say their business is good and there is no need to spend money advertising. I argue that if Coca-Cola followed this philosophy it would not be the mega conglomerate it is today. Nowhere in this world can you go without seeing Coke advertised, and yet their business is good. The reasons are simple: advertising helps you get new clients, take some away from the competition, and keep them once you have them.

So, every store should plan and reserve funds for advertising. As a Society of St. Vincent de Paul thrift store, you not only want to get customers but also donors, supporters, volunteers, and you want to let the needy know you are there to assist. We are not only selling merchandise but also a philosophy, a total image of the Society that will benefit the store's bottom line and the well-being of the Society as a whole. Some of the ways your store can promote its works are through brochures, circulars, newspaper ads and articles, newsletters, usage of trademark, yellow pages listing, direct mail, radio announcements and yes, even that presentation to the local high school. Any or all of these can be joined together into a comprehensive advertising plan. Our goal: to make people want to not just buy or give xyz, but to make them want to do so at a SVDP Thrift Store.

Advertising is an investment that all stores from the smallest ones in rural towns to the larger ones in metro areas should include in the annual budgeting and planning.

Finally:

III. **MARKETING**

(Or, once you've got them in your store, how to get them to buy)
Section 11: Merchandising

There are in my opinion (6) basic keys to successfully marketing your goods/services:

1) Offer "quality" merchandise, as defined by your customer. Have the best assortment possible and turn over the merchandise rapidly. Most thrift stores experience a significant percentage of repeat customers who return bi-weekly (some more often). In our store, we take new merchandise onto the floor daily, and remove older merchandise every (2) weeks. You will find that the money generated by your "regulars" will be incentive enough to keep up the rapid pace of daily replacement.

2) Offer a friendly shopping environment. Allow the customer to have easy access to both your staff and management. Many of the people who shop in our stores have told me they feel like they are amongst friends when in our store and therefore return often. Instruct your staff about courteous and fast service. But beware, our business has its share of abusive customers, so be ready to stand by and protect your staff when necessary. Remember, loyalty is a two-way street and a happy staff will impact favorably on your bottom lines.

3) Keep up with fashions; offer clients up-to-date looks even if achieved through vintage items. Don't fill your racks with items so out-of-style that you will bore and lose customers.

4) Respect your customer's time. Make shopping easy and hassle free. Don't make people wait for service and don't place items out of reach. Offer a reasonable schedule according to other neighborhood business and post your times clearly. An informed shopper is a happy shopper.

5) Price your merchandise competitively. Look around at other thrift stores and if you can afford it, offer the lowest prices whenever possible, and offer incentives such as regular sales and specials.

6) Plan your store layout, that is, the overall arrangement inside your outer walls. Divide merchandise and space into departments next to one another. Evaluate your product; the department that has the highest per square foot sales should be kept in the high traffic areas; it will pay your rent! Keep the demand merchandise in less valuable space and keep your offices and sorting areas in the least valuable space. Impulse merchandise, that is, merchandise purchased at the spur of the moment, should be highly visible and accessible. Finally, keep your displays fresh and change them often, specifically to introduce new items and show seasonal goods. Provide proper lighting, and use display to guide your customer's eyes throughout the store.

I encourage further investigation into all of these topics. Your public library or bookstore will provide you with the materials to expand your knowledge on how to better run your thrift store.
Merchandising Fundamentals

CAHAN & COMPANY • RETAIL DESIGN STRATEGY
As a retail design consultant Cahan specializes in:

- Store Analysis: Cahan determines what’s working what isn’t, why and how to fix it affordably and quickly
- Design of visual programs for every type of store
- Trains store staff to setup and maintain all types of stores
- Consults on New Store Design, Visual Merchandising, Image, Branding and Renovations
- Writes Custom Visual Standards Manuals for all types of retail oriented businesses
- Stays within budget and time frame

Great Advice For Your Career In Retail.
Click To Learn More
This link to an excellent presentation given by Linda Cahan at the 2008 Midyear Meeting in St. Louis. This presentation gives many examples of how to mix colors, signage, lighting, mannequins, visual merchandising, window displays, and Feng Shui.

With the release of this version of the manual, a new Visual Merchandising Manual is also available.
SECTION 12: BUILDINGS, EQUIPMENT AND VEHICLES

BUILDINGS

Your building is the foundation for a successful operation. Location is the key ingredient. (See Section 1 — Opening a New Store: Site Selection) The location needs to be convenient for your customers; a retail environment which provides plenty of parking facilities and if possible public transportation.

A well-lighted sign on the exterior will advertise our presence. Eye-catching window displays attract the attention of your customers. Be creative, use themes (Example: Seasonal Holidays) and change your displays often. Keep the windows, sidewalks and parking lot clean and orderly.

Once inside, make sure your traffic pattern flows easily throughout the store. The spacing between racks and displays must be accessible to all persons. (See Section 5-B: Americans with Disabilities Act) All exits must be clearly marked and unobstructed at all times. The store should be well-lighted for employees/customers convenience and safety. Employees should be informed to keep the floor clear of any debris at all times.

Check your local building and fire codes: in regards to safety requirements (ie; fire extinguishers, lighted exit signs, ceiling clearance) heating/air conditioning guidelines, electrical codes, etc. . . . Keep all equipment in good working order.

Contact your insurance agent for the proper coverage. (See Section 10 — Property Coverage) All employees should be instructed as to the proper procedures to follow in case of an accident. In case of an emergency, medical attention should be contacted immediately. A supervisor must be informed. Obtain the individual's name, address and phone number. File the appropriate accident report.

EQUIPMENT

Equipment is defined as a set of articles used in an operation. This includes a wide variety of apparatus that may be found in a St. Vincent de Paul Store.

In your selling area, your equipment would include cash register(s)/counters, display cases, clothing racks (double-hung and single) shelving units, shopping carts and various items that assist in servicing the customers. Any equipment that is used to display clothing, books, housewares, etc. . . . should be completely stable, sturdy and properly secured.

Equipment found in the processing area could include (depending on the size of the operations) sorting tables, carts, rolling racks, a baler and a forklift. Always keep your equipment in good working condition to prevent accidents. Appropriate footwear and protective clothing should be worn by employees if necessary. Only authorized employees, who have been properly trained, should operate powered equipment. As for maintenance of powered equipment, it may be advisable to obtain a service contract from the supplier.

No matter what equipment is used at your St. Vincent de Paul location, SAFETY should be the top priority. All employees should be properly trained and practice safe work habits at all times. Safety rules should be developed for your St. Vincent de Paul location and then make certain to ENFORCE the company safety rules.
All injuries, no matter how minor, must be reported to management immediately. Work-related injury incurred on the job is covered by Workmen's Compensation. There is a 24 hour maximum time allowed for notification in order to qualify for Workmen's Compensation benefits. Any notification after 24 hours may be challenged by the Society and/or the insurance carrier handling Workmen's Compensation. No employee will be allowed to return to work until the doctor provides the "return to work" notice.

If medical attention is not required by a doctor at the time of the injury, a "waiver" should be filled out by the employee/customer and kept on file.

VEHICLES

A St. Vincent de Paul vehicle may be the only contact a person has with the Society, so it is extremely important to make a good impression. The St. Vincent de Paul vehicle and driver must present the proper image. The vehicle and driver should be neat in their appearance. The vehicle should have the national logo displayed on the exterior, along with a current phone number to contact. Make certain this information is LEGIBLE. Our vehicles are moving advertisements, make them work for you.

The driver of your vehicle should be in uniform at all times during their assigned work hours. (See Section 7 — Employee Relations)

Recommendations for Drivers Uniform consist of:

- Navy Blue Work Pants
- Steel-Tip Shoes - Black
- Navy Blue Long or Short Sleeve Shirt
- Black Belt
- White Socks
- St. Vincent de Paul Patch
- Name Tag
- No off-color socks - No Blue Jeans

The driver should adhere to all safety regulations, policies and rules of the road. The driver should complete the assigned route within the allotted 8 hour day or within allotted time period assigned. The driver is responsible for maintaining the vehicle gas, oil, radiator and other fluids daily. The vehicle should be clean and well-maintained. The driver is responsible for reporting any necessary repairs or maintenance to management. On the first day of work, a driver should be presented with a Drivers Manual to explain their duties and responsibilities. ,
SAFETY RULES FOR COMPANY VEHICLES

Driving a company vehicle is both a privilege and a responsibility. The following rules can assist in assuring a high degree of safety in the operation of our company vehicles.

1) Only authorized individuals are allowed to operate company vehicles. The vehicles are to be used for company business only, unless otherwise assigned.

2) No one is permitted to operate any vehicle without proper driver's license. If required by law, you may have to have a Class B or chauffeur's license.

3) If required by the company, participate successfully in fleet training or other approved driver training program.

4) Drivers' Motor Vehicle Record will be checked semi-annually for infractions. Standards for driving records have been established and are given to drivers at the time of hire. Your driving privileges can and will be taken away if you drive unsafely and the number or severity of the infractions exceed the limit. This could also result in termination of employment.

5) Failure to report a traffic infraction or accident will result in disciplinary action which may include termination.

6) All company vehicles are to be equipped with a fire extinguisher, first aid kit, and breakdown equipment.

7) All employees using company vehicles MUST WEAR THE SEAT BELTS.

8) Drive the way you want others to drive. Be courteous.

9) Know and obey all laws and safety rules. A vehicle is a deadly weapon when used improperly.

10) Always look before backing up. Be sure to check your rear view mirror for parked vehicles before backing out. If you are in a neighborhood where children might be present, take a quick walk around the vehicle to make sure a child is not nearby.

11) Always set the brakes and remove the keys when leaving the vehicle.

12) Follow company policy on carrying passengers. Never carry more passengers than the vehicle is designed for. Passengers must remain seated and wearing seat belts at all times.

13) Never remove the radiator caps without adequate protection against scalding steam and hot water.

14) The vehicles are to be inspected daily by the drivers. Inspection forms are to be filled out completely each morning. Your supervisor should be notified of all maintenance requests so that they may be corrected as soon as possible. NEVER drive a vehicle that has a serious problem such as bad brakes, tires, or headlights out. The inspection form should remain inside the vehicle, with copies given to the supervisor.

15) IN CASE OF AN ACCIDENT, THE DRIVER IS TO FOLLOW THE FOLLOWING PROCEDURES:

   a) Notify your supervisor/dispatch immediately.

   b) Check to determine if anyone is injured.
c) Fill out a Vehicle Accident Report. It is to be submitted to Human Resources within 24 hours of the accident.

d) If the accident occurs on a public highway or freeway, you must notify the proper Police agency. A copy of the police report must accompany the Vehicle Accident Form.

e) Make no statements to anyone except the police or your supervisor.

f) Be sure to get the names and phone numbers of all witnesses, as well as the names, and driver's license numbers of the others involved.

g) Your supervisor might decide to send a company representative to the scene of the accident for a formal investigation.

16) If a serious accident occurs, the company has the right to insist that the driver submit to a drug screening. Refusal to comply can result in termination of the employee.

17) **Drivers must report all traffic violations to their supervisor within 24 hours.**

18) Obey the rules for safe speed. Do not drive faster than is safe for the conditions of the road. Do not exceed the speed limit. You will never be asked or required to break the law to meet your obligation as an employee of the company. Safety always comes first!

**Practical Suggestions for SVDP Store Operations**

Most Vincentians are not used to making the types of purchases that are necessary to operate our St. Vincent de Paul retail thrift stores. For many of us, our house or cars are the biggest things we have ever bought and we are likely only to do that several times in our life. Yet our St. Vincent de Paul Stores often require a fleet of trucks worth thousands of dollars and buildings worth hundreds of thousands of dollars. Inside these buildings we have additional machines and systems that are expensive.

While the cost of these major items can be overwhelming, we must also see them as investments for the poor and for the growth and continuation of our work. These investments must be made wisely. We are stewards of the financial resources we have for the poor. More often than not the St. Vincent de Paul Society, however, is likely to under-invest in its equipment and buildings and be blind to the ways we hamper our efforts by taking the cheapest option available.

This tendency creates trucks that nickel and dime us at the garage and lost trucker productivity. We have time lost trying to cope with inadequately set-up warehouses with too little space and the wrong equipment to do the job at hand. And we have retail settings that peaked out years ago in terms of space to expand or an environment that is pleasing to today's thrift store shopper.

One of the first questions that will need to be ad-dressed is whether to buy or lease our buildings and equipment. Traditionally the Society has recommended that we purchase rather than lease. This recommendation is not a rule but has some sound logic.
Four reasons why purchasing is preferred (given you have the money):

1) Resources for working with the poor by St. Vincent de Paul should be stable in good times and in bad times. In most cases, owning our stores will allow us to continue our work in hard times and do capital improvements in better times.

2) A good part of the cost of most building leases goes to pay property taxes from which we would be exempt if we owned the building, but in most states we cannot pass on our exemption to the property owner from whom we lease.

3) Most property owners do (or should) make a profit from their leases, i.e. rent is greater than the cost of their mortgage. We can save ourselves that profit if we own the property.

4) Most commercial leases require the occupants to do most maintenance. Any improvements made to the property are at the tenant’s expense. These improvements then usually need to be left intact when the tenants vacate the property. In effect we increase the value of someone else’s property when we lease.

All of these reasons do not rule out the possibility that you will want to enter into leases for other very good reasons. For example:

- You are unsure of a location and would like to try it out for a time.
- You can’t find the right building or a certain location is not for sale.
- You don’t have enough capital to buy store property but are sure you could make enough to pay rent.
- Banks won’t give you a mortgage.

In considering options to buy or lease, use the expertise of business people in your organization. Do not sign any leases or make any offers to purchase without consulting an attorney. A good attorney working for your interests will make sure you can occupy the building on which you are negotiating and protect you against unpleasant surprises that can pop up. When leasing, be aware of other hidden fees like mall maintenance fees and even leases that take a percentage of your profit or sales. Consulting an attorney can help with this.

A quick word about dealing with realtors as you select your building. The realtor in most states is working for and represents the interests of the seller — not you. In most areas you can spend money and work with a realtor to represent and assist you. This is important. The realtor, no matter how cooperative, is out to sell property, not look out for your interests. It is not in the interest of the seller to point out why a location might be bad for you. A realtor may not want to show you a better location because it is not listed with their company and they would have to split the commission with the listing company.

Building Selection

When looking at a building, there are many things to consider. Let’s survey some of the most important.

The St. Vincent de Paul Society often gets confused about the missions of its stores and that affects decisions about how we operate and where we locate. We do exist to serve the
poor and to give away goods to those in need. With few exceptions, people in need manage to find St. Vincent de Paul stores to get help. So let's ask the other questions — can you make money at this location, with this building? Is this the best location to do your retail business?

In site selection, many stores try to save money on a purchase or lease by choosing a less than ideal site. Sometimes our stores are placed in locations that are uncomfortable for our donors and customers. Usually these locations are also uncomfortable for many poor people. When considering a bad location for a good price, ask if losing $4,000-$5,000 in sales a month makes a difference. A 5,000 square foot retail store space in a bad location can easily cost you these kinds of dollars. Usually you will find it worthwhile to spend extra for the right site.

Make sure you include the costs of repairs and improvements in your budget when you buy or lease. (Yes, on leases too! Commercial leases are different than residential leases. Often on a new commercial lease you will need to put in the ceiling, paint the walls, carpet the floor, and maybe more.) Get actual bids on these costs. You can have people estimate costs on roof repairs, parking lot paving, etc. and be off by thousands of dollars. Even with these estimates in hand, leave extra money for what you or the building inspector discovers later.

Another consideration if you are buying — is there room to expand? What looks plenty large now seldom is large enough even five or ten years later.

One of the professionals you should consult as part of your site selection is your insurance agent. These people have some opinions and good advice about types of construction and how that will affect your rates, the area of the city and what types of hazards may be on a property that you may not pay attention to.

When considering building size and layout, there are some hints and guidelines. Do your projections on paper first. You will need to decide what to sell and how much space it will take. Most stores have plenty of clothing. Even a small-town store will want to dedicate 1,000 square feet to clothes. Larger stores will have 3,000 square feet of clothing. You will probably dedicate space for miscellaneous hardgoods equal to around 30%-50% of what you set aside for clothes. Then you need to decide if you are going to sell furniture, appliances, books, collectibles, etc. and how much space they should have.

You are running a business and should use at least the basic tools. What kind of sales do you expect per square foot of display space? This and the labor cost to prepare the items for sale should affect decisions about what and how much to carry.

A wide open space on one floor is ideal. Customers can see what you have and less staff is needed to both serve the customers and monitor for shoplifting. A clean, neat, attractive, well-lit environment is absolutely necessary to do your best in selling clothing. People will buy old sofas and dishes in a "junk" store but they are less likely to want to buy clothing in a dark, dusty shop.

Air conditioning your retail space is a concern for many parts of the country. In this writer's opinion there is no doubt — air condition your stores if most retailers in your area do. There are important reasons why:
1) Customers will stay in the store longer if they are comfortable. Since we are bargain stores, shoppers need time to browse around and discover articles that appeal to them. Anything you can do to keep a shopper in the store longer increases the chance of that person finding a treasure to take home.

2) Air conditioning not only cools but it takes humidity out of the air. Hot, humid environments frankly make our used clothing and furniture smell, which detracts from its desirability.

3) Open doors and windows let dust and grime in and make it hard to keep the stores clean. There is extra cost in the installation and operation of air conditioning, but in most operations the increased sales and employee productivity will far outweigh the cost.

Get a building that lets you expand and increase merchandise displays. The layout should be designed to have the least amount of space used for non-productive purposes. Plan to retail off every possible square foot. You will need a four foot main aisle to get between exits (often this is required by fire codes). Aisles between racks will need 32”-36” of space.

The reason for writing about some of these layout concerns is that you should have a clear idea of how you will configure a space before you acquire it (unless it is a wide open flexible space). It would be a big mistake to discover that the amount of material you have to sell won’t fit in the space you just bought. Even worse would be to discover you cannot physically sell enough on a given retail space to pay your bills.

This does not mean your initial layout should be carved in stone. Constant change and innovation are key to staying in business. If you haven’t reorganized, changed and improved any of your retail displays in the last six months, you are being negligent.

**Purchasing Equipment**

Beside the building you own or rent and the trucks, you will probably have other costly equipment in your operation. Give your people the tools they need to do their jobs. Quality equipment will improve worker pride and productivity, last longer and often save money, be safer to operate, and be an investment in the future of your organization. Many stores are still using everything from balers to two-wheel hand trucks that are 30-50 years old. Someone had the foresight to buy the right equipment and maintain it.

When purchasing any equipment, consult other St. Vincent de Paul stores for what has been working for them. Consult other non-thrift store operations to get their experience and advice. You would be amazed at how many retail stores or warehouse operations will share what they know with you, especially because you’re St. Vincent de Paul. Usually they are flattered to be asked. Finally, find a merchant specializing in the equipment you need. If you are not in a large city, you may need to get a copy of the yellow pages from the nearest big city.

Most companies will have sales personnel that will service your area. Use the knowledge and expertise of these sales people. Make them work for your sale. They know their products and have been in hundreds of places that use their products. Certainly realize that they are there to sell you their product, but a reputable salesperson will not want to sell you the wrong thing. Check out several companies and compare what competing companies
tell you about their products. Ask for names of companies using their product in your area so you can see if they're satisfied not only with the product, but follow-up service, etc.

Finally, when negotiating price get the best deal possible but don't expect to get the product for free just because you're a charity. Sometimes we are better off in the long run letting suppliers make a little money for the sake of getting continued quality service, advice or repairs. If businesses hate to see you coming because it is going to cost them money, you will often not get their time, advice, or best products for the job. A good working relationship with companies who understand what we are doing is as important as getting the best price possible. Certainly there are generous people who will sell to us at a discount or even cost.

There are lots of charities out there, so we need to show why we deserve special consideration and then follow that up with a timely thank you. They say not to look a gift horse in the mouth, but sometimes even getting a piece of equipment for free may be costly if it is wrong for your needs. It may also not be appropriate to "nickel and dime" suppliers for cheap prices but to solicit an annual donation or sponsorship for a particular charitable project.

**Retail Equipment and Fixtures**

**Cash Registers**

Almost every St. Vincent de Paul store should have a cash register with several departments. Cash registers give you pertinent information and accountability. You will want no less than three departments and even up to ten is useful in most stores. A list of departments could include clothes, furniture, small appliances, large appliances, seasonal (e.g. Christmas items), collectibles, books and records, deliveries, and employee purchases. Clothing could even be divided into men's, women's and children's. Information is key to successfully managing a thrift store, and setting up your registers in this manner provides extremely helpful information.

The quantities you are selling of a particular item are the most important information you need. You need it to allocate floor space and calculate employee expense. For example, if you are selling $1,000 worth of appliances a month and are paying an employee $1,000 a month ($6.00 per hour) to fix those appliances, you are losing money and better change something. If 80% of your sales come from the sale of clothing, how does that compare to the percentage of floor space on which you display clothing?

These are very elementary examples, but many St. Vincent de Paul stores are not even operating at this level of management. A day will soon come when you will want to know how many sweaters sorted and hung by "employee A" and priced by "employee B” were sold. You'll want to track at what price and how fast they sold, and perhaps even track the overall average price a sweater sells for in your store.

The type of cash registers you need will start at around $600 and go up to $1,500. Cash registers that are computerized and read bar codes and track data will cost even more, but before you spend that kind of money, be sure you need and will use the kind of information they generate. You can buy cash registers for several hundred dollars at discount stores. If you choose this route, buy a half dozen when they are on sale and throw them away as they break down. They are not meant to have the hundreds of items a day punched into
them that our stores generate. They will also lack many of the information generating functions you need and amount to little more than an adding machine with a cash box.

A cash register should produce a sales receipt for the customer and keep a journal tape to refer back to in case of errors, theft or cashier problems. It should give end-of-the-day readings; have multiple departments, and even sub-departments. The cash register should be able to figure in discounts, tax exempt sales, voids during transactions, and sales tax without writing little notes to the bookkeeper. You will want the ability to set it up so that only a manager with a special key can do refunds (this is an easy source for employee theft).

Your manager's end-of-the-day readings (Z readings) should give you all the information of what happened: number of total sales and dollar amount of total sales in every category, each category's percentage of the total sales, sales tax, voids, dollar amount of discounts given, total dollar amount of sales for the day, and total number of purchases (i.e. customer count).

Please note: to get accurate information, training of cashiers is important. Cashiers should always ring up each item individually (i.e. not add two $1.00 items in their head and ring in $2.00), and should ring it in the correct department category. Otherwise, your end-of-day readings will not be a true picture of sales.

Your managers should know how to find this information on the register tapes and use it. Besides information, the other advantage a cash register provides is accountability. We owe it to our employees to make theft difficult. Cash register tapes should be reconciled with bank deposits on a daily basis. Regular patterns of discrepancy should be followed up. Numerous voids by one cashier and not others should be viewed with suspicion. A cashier who doesn't give customers their sales receipt should be chastened. These are business practices that keep our employees accountable.

Racks and Displays

We are selling products and need to display them to the buying public in an attractive, inviting and organized manner. Most of this manual encourages you to see that your thrift store is a business like any other and should use the tools and methods of those businesses. When it comes to displays, it will be important to understand the ways in which our business is different from other retailers. Thrift stores cannot just go out and order more of a good selling item. We usually only have one of each thing. What we offer is variety and low prices. This affects how we display the materials and what types of display techniques we use.

A case in point is the round clothing racks that are so popular in department and specialty stores. They are designed to display one or two similar lines of clothing in a range of sizes. First, we do not have a clothing line in multiple sizes. Secondly, these racks are an inefficient use of floor space because of the aisles they take around them. And thirdly, if you display clothing by sizes, it is not obvious where the sizes continue when using the round racks.

What St. Vincent de Paul stores have is volume. You must attractively display as much as possible on your floor space and organize it by type of article and size if possible. Some stores have gone to racks with a low and high rod to double the display space. You can
also have a shelf over the middle of your racks to display more items. You may want to build your own racks or there are many places that sell used racks for much less than new.

Check the yellow pages in a large city near you or ask other St. Vincent de Paul stores. Many times our stores have racks donated to us, but do not use them if they are inefficient or don't display the merchandise well. You may save $30-$50 on a rack but lose $5 a day of sales potential (a couple of shirts). By not losing sales due to your display, your rack can pay for itself in two weeks.

The display shelving for your hardgoods should also keep volume in mind. For collectibles you may want a novel or antique type appearance, but metal shelving like you see in supermarkets (name brands include Lozier and Streeter) will display the most items attractively without fearing they'll collapse. Five foot high units work well because you can see over them to monitor your sales floor, but six feet high makes sense along walls. Certainly you can build your own shelves and most of our stores have homemade displays that work well. However, at some point when you are trying to get more and more merchandise on the same floor space, give serious consideration to what is commercially available for shelving.

Our retail sales floors and the display you use should be a constant experiment. Try new layouts, racks, shelving units and arrangements. Do not be afraid to fail. Listen to your retail staff as you make your changes if they are offering creative insights. Some staff members, however, become quite comfortable with the status quo for their convenience and not for the good of the retail operation. They may resist your efforts to improve.

A final word about displays — our inventory is all used. The way we display the merchandise can enhance its appeal for our customers or it can reinforce the image that it is all junk. Even those who come to us in need of donated goods appreciate the care and dignity of a well-organized store.

**Warehouse Equipment**

Our warehouses commonly need some high-priced equipment. Most of us are selling our rags and need a baler and forklift. We also need a couple of two-wheel carts, at least one four-wheel platform dolly and maybe a pallet jack and refrigerator dolly. As was pointed out in the warehouse section, get the right equipment for your staff to do their jobs efficiently and safely. For a manager or Store Committee member, a dolly can be seen as a $150 expense. To a worker without the right equipment it is a constant annoyance, a potential accident, and a perpetual reminder that the St. Vincent de Paul Society does not care enough about employees or the job they do to get the right equipment.

**Balers**

The rag baler and forklifts are the most expensive but will usually pay for themselves quickly with the rag sales they generate. Balers come in three major types: ones that make small 100-150 pound bales that look like hay bales; ones that make 800-1,200 pound bales which are five or six feet long; or specialized balers used to make small wrapped bales for overseas shipping. There are a variety of circumstances that will dictate your decisions, but most of our stores should have a baler that makes a five or six foot bale of about 1,000 pounds.
That is the type of bales most wholesale rag buyers prefer because they are the easiest for them to handle with their forklifts. To load these bales you will need a forklift and a truck height loading dock. (A hydraulic scissors lift can be installed at your loading dock which will lift your forklift up to the height of the trailer.) Used balers were formerly available but the recycling movement (especially for cardboard) has created a tight market on used balers. New balers should be available in the $6,500 to $12,000 price range. They are made by a variety of companies, including Vertech, Philadelphia Tram Rail, Economy, and General Hydraulic.

Most of the balers are front loading with downstroke hydraulics, although they do make top loading and pit balers which are very handy for automated operations with conveyor belts. These, however, are usually more expensive and have some safety features required by OSHA. Do not make the mistake of purchasing a horizontal baler. They do not work well for baling clothing. Balers will require 200 volts and can be set up for single phase or three-phase motors. If you have three-phase electrical service, it is preferable because it is cheaper to run and the motors usually last longer.

The smaller 100-pound balers are used by many of our stores and are often available used at low prices. Some stores will choose these balers if they don't have a dock or forklift. Typically, stores with this type baler are not getting as much per pound for their rags. If they are getting a good price, they are typically at the mercy of one local buyer who is willing to accommodate them. Often stores selling to such a buyer are using their own trucks to deliver the rags as opposed to the more common practice of trucking costs being paid for by the buyer. If your market goes bad and you have small bales, no buyer will want to send a semi trailer from 1,000 miles away for a hand-loaded pick up. Most trucking firms require you to load a 48’ trailer in two hours or they will charge extra.

Only a few St. Vincent de Paul stores will need to consider the more expensive double chambered textile balers. They are usually packing their clothing for direct export.

When you are looking for a baler, consult with the company to whom you sell most of your rags or to whom you intend to sell. Ask them about the size of bales and for their recommendations on what companies make good balers. Often they are very familiar with the equipment because they use balers themselves. There are also companies who will rent balers and forklifts. This may be a good way to proceed until you acquire enough profit from selling your rags.

Forklifts

If you have 1,000 pound bales, you will need a forklift. There are hundreds of varieties from several companies. The major companies include Clark, Yale, Hyster, and Toyota. Most of them have salespeople in every region of the country that will be happy to travel to you. A small, walk-behind electric forklift (not a pallet jack) will do for most places. If you get a riding type, the ranges of choices are greatly increased between electric, LP, and gas lifts. Electric is probably the safest and cleanest, but check with other people with warehouse operations and the company's salespeople before choosing which application is best for you.

Your company's insurance agent and local fire department may have some opinions as well regarding LP and gas lifts. There are usually used lifts available, either trade-ins from the lift company itself or shopping local ads. Often these are half the price of new, but you have the usual concerns of buying someone else's problems and getting exactly what fits your
needs. If you buy a trade-in from a reputable company, it may include a warranty or optional service contract.

Forklifts are one of the biggest potential safety hazards you have. Insist upon only qualified personnel using them and train new operators well. These machines are very handy for many tasks other than moving bales, and once you have one you will wonder how you ever survived without it.

If you are just looking at this equipment for the first time, do not be daunted by the amount of research, money and effort it will take to get set up. If you take care of this machinery (even if used), it will last for years. There are St. Vincent de Paul warehouses using balers almost 50 years old. You should be able to get set up with a good baler and forklift for somewhere between $10,000 and not more than $20,000, dependent on quality and whether you purchase new or used. Even a small operation only making one 1,000-pound bale per day will generate over $20,000 in rag sales per year at today’s prices. Even if you figure in added labor for the entire baling operation, it will pay for itself quickly.

**Trucks**

Next to your buildings, the trucks you own are probably your largest capital expense. If they account assets on an accrual basis, and depreciate their assets, many stores probably have more annual expense in trucks than in their buildings. With this in mind, you should be constantly checking to be sure the way you purchase or lease this equipment is cost-effective. It is easy to get in a pattern. But the marketplace is constantly changing: new truck dealerships open, new types of small diesel trucks have been developed, leasing companies offer attractive packages, and maintenance contracts and financing packages have also changed. Many of your decisions about trucks will depend on local circumstances and this manual can only offer some information for your consideration.

**Truck Purchase Options**

There are several patterns of truck ownership that work for stores depending on their circumstances. 1) You can buy new trucks that meet your needs and trade them in on a planned basis when they start to become unreliable or have maintenance problems. 2) You can maintain an older fleet and even buy used, but have either a staff mechanic or a good working relationship with a cheap mechanic. 3) You can lease your fleet.

The first option will probably be the most cost effective if you are in a cash position to afford new equipment. You will need to trade in the trucks before they start costing you money to maintain them and while you can still get a good price for the used vehicle.

The second option is good for fewer stores. You will need to have a good source for reliable used vehicles. Stores with many trucks will probably need an extra truck available for back-up while one is being repaired. And, having a cheap mechanic who does good work will be very important.

The third option is becoming popular with stores having fleets of more than four trucks and a tight cash situation. Besides the advantages of having well-running new trucks available at a set monthly cost, there are often other advantages with a fleet lease program.
The insurance is often arranged by the lesser, often gas is available at discounted prices and some lease companies even do some of the paperwork for your driver's commercial licenses.

**Type of Truck**

The type of truck you choose should take into account how they are used and the money available for purchase. The new small diesel trucks work very well.

They get 15-20 miles per gallon, start well in cold weather, have engines that last longer than conventional gas engines (should last 300,000 miles) and are usually worth more at trade-in time. They are, however, about twice as expensive as a gas engine truck. These trucks are available from GMC, Chevrolet, Mitsubishi, Iveco, Isuzu and even Freightliner is developing a truck in this class. Other advantages include their ability to maneuver tight spaces and a commercial driver’s license is not needed if it is classified under 26,000 lbs. capacity.

Some St. Vincent de Paul Stores will be better served by bigger trucks. Stores that have long distances to their pick-up or delivery sites will want bigger trucks that can carry a larger load before returning to the dock. These trucks have higher beds making them harder to load off the street but easy to unload if you have a dock their height.

The smaller store may want the van-type truck with a box. They are easy to drive and easy to load. This type of truck usually gets poor gas mileage and the back wheels stick up in the box which can be very inconvenient.

A good addition to most larger trucks is a hydraulic lift. They are an additional expense but are very useful if your store moves furniture, appliances or even racks of clothing. Besides making life easier for your workers, they can save time, decrease damage of material and reduce the chances of accidents.

Another strong recommendation is that your trucks have attractive signs painted on their box. Your vehicle is a moving billboard that will be seen all over the community. This is free advertising and should be used. The signs also may help our drivers to act more responsibly knowing that people will identify them as our employees. This type of truck lettering will cost between $200-$500 depending on rates in your community and how extensive the design. It is still well worth that cost.
First impressions mean a lot! The signs on our buildings and trucks not only give information, but they also give people their first impression of a St. Vincent de Paul store. Frequently our stores have old, faded, weathered signs that haven't been changed in many years and often they are not creative. These signs give a first impression that communicates that we are out of date, dirty, disorganized and not very creative. This not only will discourage new customers from bothering to check out a store, but it also communicates a lack of dignity and pride to the poor we are dedicated to serving.

In this chapter three different types of signs will be discussed:

1) The signs on the outside of our buildings.
2) The signs on our trucks.
3) The other informational signs in our stores.

There will follow a section on the need for constant innovation, especially as it relates to our signs and public relations.

**SIGNS FOR STORES**

The signs on our stores serve to identify and give information. They also communicate our affiliation with other St. Vincent de Paul Stores and St. Vincent de Paul projects locally and nationally. Wherever possible, our signs should have the official logo with the registration mark included. For the sake of national unity and identity our stores should be called "Society of St. Vincent de Paul Thrift Stores."

The principal signs should use this name. There will be places; however, where you will need to use less words so your sign can be seen from a distance or to fit a certain shape. Then you may have to put "Society of" in small letters and you can drop the word "Thrift."

Signs can be executed in vinyl die-cut (available through local jobbers or Hutchinson & Associates, 2323 Crest Ridge Drive, Dallas, TX 75228) or be hand painted. The vinyl die-cut decal color to be used is Spar-cal1596, Impulse Blue. Chromatic paint #152 Light Blue is compatible for trim or lettering.

The location and architecture of the building will influence our signs. Obviously the sign for a store that fronts a six-lane highway should be different than the sign on a store in a residential area. It is always a balancing act to have signs that will fit into the neighborhood but still get notice.

There are many things that help to get noticed — size of the sign and of the letters, being lit at night, creative design, etc. All of these should be considered. We do want to keep our signs in good taste. Our stores should not rival those of the local used car lot or zany discount appliance center. Simplicity of text is recommended on an exterior store sign. Too much information takes away from the basic message — "this is a thrift store." Start looking at the signs of other businesses. Notice what it is about them that get your attention.

Use a competent, creative sign painter to do your work. Look at signs around your community. When you see ones you like, ask the business owner what company made their
signs — they will probably be happy to give you that information. Do not just use a friend of an employee or a volunteer who will do it cheaply. This may cost less money, but a well made sign will last many years and it is inexpensive publicity in the long term.

This doesn't mean you can't get competitive bids from good contractors. Use the talents of the painter to create an attractive sign. They should be able to come up with little ideas like shading the letters, the shape of the sign, different borders, varied types of material out of which to make the sign that will turn a dull set of words into a sign that is attractive.

There are zoning laws about signs in most communities and often you may need a permit before putting up any exterior sign. Check this out before commissioning any work to be done. A competent professional will not only know what these rules are, but they should be able to make the application for you and include any charges with your bill. Do not ignore these rules. There can be fines and you could have to throw your sign out and start over if it is not in compliance.

Having the sign made is only part of the job. It needs to be installed. You may want the sign painter to do that or to arrange to have it done. It may seem simple enough to have the janitor do it, but if a big sign falls on someone's head you could be in trouble and if it blows away in a wind storm you will have to start over again.

Do not overlook painting signs on your windows. Often it is cheaper than, having a wooden or metal sign built. Sometimes zoning laws do not apply to signs on windows and they are often visible at night with your security lighting.

SIGNS FOR TRUCKS

Signs on trucks can be very important. Your trucks are moving billboards. They travel all over the city, advertising your business and letting donors know that you make pickups. A truck that has your name on it also reassures donors and their neighbors that these people are authorized to take away the donated items.

There are stores who are afraid of having large signs on their trucks because they might be embarrassed by the actions of their truck employees. If that is your concern, definitely get your trucks marked and inform your staff of your expectations for their behavior. It is to your advantage to get information (i.e. complaints) about the inappropriate activities by your drivers.

Again design is crucial. Many St. Vincent de Paul trucks have signs that seem like they were designed to help the driver find his truck in a crowded parking lot after lunch. Don't have a small sign that gives the name, address and zip code of your store with four inch letters in the upper front corner. It looks like the return address on an envelope. This may be useful if you lose the truck and want it mailed back to you, but it serves little function in terms of advertising for the store.

Use the whole space on the sides of the box and especially use the back door. Make your name large enough that it can be seen a half block away. The other information such as address and phone number can be half that size. Also, include the logo prominently.

Use the advice of your professional sign painter. Ask for several sketches — they will do it. The cost of a good creative sign may seem high when you first look into having it done.
Section 13: Signage

It will run between $200 and $500 in most cities. When looked at as an advertising expense which will last for many years and be seen daily all over the city, it really is a good bargain.

When painting the truck signs, include the back door. People are often stuck behind a truck at a traffic light, so give them something to read. Besides the name and logo, maybe use phrases like: "Your donations help us help others — Thank You." "For donation pick-up call us at." Or, "We recycle your care."

Whether we like it or not, in most of our cities we are in competition with other thrift stores for donated goods. Some of those stores do a lot of solicitation. Others have terrific name recognition. In spite of this, overall there is not a lot of loyalty by most people to one thrift store over another. This being the case, we need to do whatever we can to have our name come to mind when people decide it is time to clean out their closets. Having seen our truck across the road yesterday, or at a traffic light that morning, will often be the difference between giving us a call or calling our competition.

INFORMATIONAL SIGNS

The final category is informational signs inside and outside of our buildings. These signs may be about store policies, special sales, parking, or location of departments. Their importance is often overlooked. They too convey an impression of our stores. Sloppy unclear signs show we are not proud of our retail environment.

Some warnings about these informational signs:

1) If there are too many signs, none of them get read or taken seriously.
2) People who are reading signs are not shopping.
3) Most "classy" places do not have dozens of signs pasted on their walls.

These observations aside, it is helpful to have signs identifying your departments and showing where the dressing rooms and cashiers are. A welcoming sign may be placed inside the entrance. Most stores will want their store policies posted by the cashier and maybe in one or two other conspicuous places. There may be policies that apply to certain departments and they can be posted there.

Just like the exterior signs, these signs should be attractive, simply worded and look professional. There are many sign shops that can make these cheaply and quickly. For some signs a computer with a laser printer and the right poster software can also do an adequate job.

Your signs should communicate courtesy and respect for the customers. Signs that say "Don't Park Here You Idiot" or "Unattended Children May Be Sold" etc., do not communicate the type of organization we strive to be. Even if your signs are not that blatantly hostile, do they communicate your dedication to service or do they communicate rules that will make the life of the staff easier? Businesses these days must be radically customer-oriented and many of our stores fall short. Our signs are for the convenience of our patrons, making their shopping easier and more enjoyable.

Once we have improved our signs, it would be easy to sit back and not worry about them for a couple of years. That is how most of our stores got their old weathered signs in the first place. We need to constantly improve and innovate. Our St. Vincent de Paul Thrift Stores are more exposed to public perception and image than most businesses. We work at that image less than most. We have two
publics — our donors and our customers. A St. Vincent de Paul Thrift Store is dependent upon both of these groups for a successful operation.

In most cities there is a choice of several places to donate clothing and used goods. Our ability to serve and grow is dependent on receiving these donated goods. Many donors (even Catholics) are not that loyal to St. Vincent de Paul Thrift Stores. We need to project an image of good service and worthiness of support.

Even after we earn their support, people can be fickle. Our stores will need to keep getting people's attention. I can name St. Vincent de Paul Stores in a dozen cities that are in financial trouble and are not serving the needs of the community because they have let other thrift stores (sometimes for-profit stores) start up and rob them of their donations supply without even putting up a fight.

On the retail end we are also in a competitive environment. We need to let people know where we are; that we have quality merchandise at a good price; and that we are here to serve the community. It is no longer enough to have those low prices and offer the good service. We now need to let people know what we are and knowing is often a matter of perception and image, not just communicating facts.

Most of the business world knows this and acts accordingly. There is a lot of business literature written about the "fashionization" of just about everything in society. So it is not uncommon to see even hospitals and churches developing new logos and advertising just like oil companies and department stores.

The "fashionization" of St. Vincent de Paul? You must be kidding. It sounds a little goofy I know, but the basic concept is applicable. If our signs, brochures, trucks, store windows etc. look the same year after year, they will be ignored. Other agencies and stores will promote themselves to our detriment. New signs and brochures etc. communicate to the public that our society is changing, improving and meeting the needs of the changing society we serve.

We have an approved national logo that we should all be using and including in our publicity. However, we need to use that symbol in conjunction with our graphics to say something about who we are. Change those graphic images regularly or people will ignore them.

The way the logo was used by the Phoenix National Convention two years ago was a good example. With thanks, the Madison, Wisconsin thrift stores adapted that logo as part of a theme "growing to serve." This past year we added two new stores. The graphic of two people looking forward to a dawning sun communicates an image for our growing operation.

This year we are including our logo in a modified recycling symbol with the slogan "recycling care" to communicate a different message. Every major retailer this year is linking their products to the recycling effort. If anyone should claim to be a part of the recycling effort, it is a St. Vincent de Paul Thrift Store —we have been recycling for years. This aspect emphasizes that unlike other thrift stores our efforts are aimed at serving the poor.

These graphics are not new or replacement logos but we can use a well known logo in a graphic to communicate a yearly theme or a different aspect of our operation. Organizations like the Boy Scouts or Olympics use their well known logos in constantly changing graphics. The logo serves to unify all of our publicity but the constant change keeps people's attention, similar to the way we use logos to reflect the theme of each year's national conventions.
Constant innovation will be necessary for us to maintain the viability of our thrift stores and our services to the poor. National unity and identity will not have to be sacrificed but a creative tension will exist between innovation and uniformity.

SEE EXAMPLES OF SIGNS ON FOLLOWING PAGES.

Truck Signage:
Exterior Store Signs need to be seen from the greatest distance possible. They will be different shapes to fit the space available and to match the architecture of the buildings.

Long signs across front of buildings should be simple.

Other signs can call attention to themselves or provide a positive image of the store by being a little more creative.

Among the signs on the inside of your store you should probably include one that reads:
APPENDIX A: BOOKKEEPING CHART OF ACCOUNTS

Below is a sample chart of accounts that can be used to set up the bookkeeping system for the operation.

<table>
<thead>
<tr>
<th>Account</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frost Bank SVDP Central Texas</td>
<td>Bank</td>
</tr>
<tr>
<td>Frost Money Market 2872</td>
<td>Bank</td>
</tr>
<tr>
<td>Cash Register</td>
<td>Bank</td>
</tr>
<tr>
<td>A/R Employee</td>
<td>Other Current Asset</td>
</tr>
<tr>
<td>A/R-fraud charges</td>
<td>Other Current Asset</td>
</tr>
<tr>
<td>Undeposited Funds</td>
<td>Other Current Asset</td>
</tr>
<tr>
<td>2012 Truck</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>2012 Mitsubishi Fuso Truck</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Net Assets</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>1998 GMC Truck</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>1998 GMC Truck:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>2000 GMC Truck</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>2000 GMC Truck:Accum. Dep</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>2000 GMC Truck:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building:Accumulated Depreciation</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building Improvements:Accumulated Depreciation</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Building Improvements:Cost</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Land</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Portable Buildings</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Portable Buildings:Accumulated Depreciation</td>
<td>Fixed Asset</td>
</tr>
<tr>
<td>Portable Buildings:Cost</td>
<td>Fixed Asset</td>
</tr>
</tbody>
</table>
### Appendix A: Bookkeeping Chart of Accounts

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Account Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Deposit</td>
<td>Other Asset</td>
</tr>
<tr>
<td>Security Deposit: Food Trailer</td>
<td>Other Asset</td>
</tr>
<tr>
<td>Transfer - cash out</td>
<td>Other Asset</td>
</tr>
<tr>
<td>Transfer</td>
<td>Other Asset</td>
</tr>
<tr>
<td>Transfer from Old Company</td>
<td>Other Asset</td>
</tr>
<tr>
<td>Direct Deposit Liabilities</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Accrued sales taxes</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Accrued sales taxes: Accrued Sales Tax - Round Rock</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Accrued sales taxes: Accrued Sales Tax - SoCo Store</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liabilities</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liability</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liability: Child Support</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liability: Employee Insurance</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liability: Fed PR Tax Payable</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Payroll Liability: TWC Payable</td>
<td>Other Current Liability</td>
</tr>
<tr>
<td>Opening Bal Equity</td>
<td>Equity</td>
</tr>
<tr>
<td>Perm. Restricted Net Assets</td>
<td>Equity</td>
</tr>
<tr>
<td>Temp. Restricted Net Assets</td>
<td>Equity</td>
</tr>
<tr>
<td>Daily Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Clothing Dept</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Clothing Dept: First Thursday Downstairs Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Clothing Dept: Clothing Special Events</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Furniture Dept</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Furniture Dept: First Thursday Upstairs Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Furniture Dept: Furniture Credit Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Furniture Dept: Furniture Special Events</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Mobile Truck</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: ebay</td>
<td>Income</td>
</tr>
<tr>
<td>Category</td>
<td>Account Type</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Daily Sales: Credit Card Adjustments</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Round Rock Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Vintage Dept</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Vintage Dept: Vintage Credit Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Daily Sales: Theft Loss</td>
<td>Income</td>
</tr>
<tr>
<td>Cash Over/Short</td>
<td>Income</td>
</tr>
<tr>
<td>bank correction</td>
<td>Income</td>
</tr>
<tr>
<td>Yager Income</td>
<td>Income</td>
</tr>
<tr>
<td>Yager Income: Bulk Clothing</td>
<td>Income</td>
</tr>
<tr>
<td>Yager Income: Recycling Income</td>
<td>Income</td>
</tr>
<tr>
<td>Yager Income: Yager Sales</td>
<td>Income</td>
</tr>
<tr>
<td>Disaster Income</td>
<td>Income</td>
</tr>
<tr>
<td>Disaster Income: West</td>
<td>Income</td>
</tr>
<tr>
<td>Auto Sale</td>
<td>Income</td>
</tr>
<tr>
<td>Donations</td>
<td>Income</td>
</tr>
<tr>
<td>Donations: Memorials</td>
<td>Income</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>Income</td>
</tr>
<tr>
<td>Miscellaneous Income: SXSW Sponsor</td>
<td>Income</td>
</tr>
<tr>
<td>Miscellaneous Income: Convention Reimb</td>
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<td>Miscellaneous Income: SXSW Booth</td>
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<tr>
<td>Miscellaneous Income: Insurance Payment</td>
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<td>Miscellaneous Income: First Thursday Income</td>
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## Appendix A: Bookkeeping Chart of Accounts

<table>
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<th>Type</th>
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<td>Convention</td>
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## Appendix A: Bookkeeping Chart of Accounts

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## APPENDIX B: SAMPLE DETAIL BUDGET

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Version 1.8 August 1, 2017 For Internal Use Only Page 128 of 199
# Appendix A: Bookkeeping Chart of Accounts

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<th>Amount</th>
<th>Amount</th>
<th>Amount</th>
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<table>
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### Appendix A: Bookeeping Chart of Accounts

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APPENDIX C: EMPLOYEE HANDBOOK EXAMPLE

St. Vincent de Paul
Employee Handbook

Reviewed and Updated 7/17/2013
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<td>102</td>
<td>Equal Employment Opportunity .......................................... 3</td>
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<td>103</td>
<td>Business Ethics and Conduct ........................................... 3</td>
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<td>104</td>
<td>Employee Medical Examinations .......................................... 4</td>
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<td>Employment Reference Checks ............................................ 7</td>
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<td>Employment Applications .................................................. 8</td>
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INTRODUCTORY STATEMENT

This handbook is designed to introduce the Phoenix Council (Council) and provide information about working conditions, employee benefits, and some of the policies affecting employment. All employees are expected, as a requirement for employment to have read, understood, and to comply with all provisions of the handbook. It describes many employee responsibilities and outlines the programs developed by the Council to benefit employees.

This employee handbook cannot anticipate every circumstance or question about policy. As the Council continues to grow, new needs may arise. The Council reserves the right to revise, supplement, or rescind any benefits, policies or portion of the handbook from time to time as it deems appropriate. Employees will be notified of such changes to the handbook.

If at any time you have any question or concern regarding your understanding or the application of any issue whether it is included in this handbook or not, please see your Supervisor, Department Manager, Director of Human Resources or the appropriate designee.

MISSION STATEMENT The Mission of the Society of St. Vincent de Paul of the Diocese of Phoenix is to encourage the spiritual growth of its members, volunteers, the people they serve, and benefactors; to encourage fellowship while serving those in need; and to provide an opportunity for others to serve those in need. Inspired by Gospel values, the Society offers person-to-person service to the needy and suffering regardless of race, origin, religion, or gender.

Code of Principles and Behaviors that Govern Our Work at SVdP
The mission of the Society of St. Vincent de Paul, to help the poor and to help others to grow spiritually by helping the poor, and the challenges we face, are much too big for one person or department to handle alone. With the varied strengths and resources that each of us have, by collaborating fully and by supporting one another, we can achieve far more than all of us could working alone. In any large organization, conflicts of ideas or understanding will arise. If we are willing, these conflicts can be resolved and, through the process, we will grow stronger. Holding ourselves accountable to the values and behaviors in this code, and living it, is the most effective means of building a truly collaborative culture across the Society.

First, cooperation and respect

- Check your reactions, show common courtesy, use calm language and tone of voice that encourages constructive dialogue
- Be open minded, think “and,” not just “or”
- Focus on the issue, not the person, always assume the best intentions, understand that everyone plays an important role, respect different personality styles, stay focused on solving the problem
- Take responsibility for actions and correct mistakes, apologize
- Say “Thank you”

Communicate well

- Listen, seek first to understand, go to the leader/staff involved to clarify if needed
- Be clear, direct, get to the point, maintain eye contact, avoid defensiveness, check your body language and tone of voice, ask others how you are coming across
- Meet in person to discuss important issues, always sign emails, especially generic emails
Appendix B: Employee Handbook Example

Adopt a service mentality

- Relate to other departments as internal customers with same respect as external customers.
- Own the problem, suggest how it can be solved
- Follow through on commitments

It’s all about helping each other get the job done well

- Be flexible and open to see process changes, drop “it’s the way we have always done it” from your speech, rely on facts, be open to feedback, see the big picture, be willing to expand mind and skills
- Respect each other’s time, be punctual for meetings, return emails and phone calls within 24 hours, avoid unnecessary zap emails, make timely decisions, meet agreed deadlines
- Managers should avoid assigning tasks to staff that work for someone else or making promises for other departments
- Strive to remove obstacles, not create them

101 Nature of Employment

Effective Date: 07/20/2005

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between the Council and any of its employees. The provisions of the handbook have been developed at the discretion of the Council and may be amended or cancelled at any time, at the Council's sole discretion.
The provisions in this handbook supersede all existing policies and practices and may not be amended or added to without the approval of the Board of Directors of the Council.

**102 Equal Employment Opportunity**

*Effective Date: 07/20/2005*

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the Council will be based on merit, qualifications, and abilities. The Council does not discriminate in employment opportunities or practices on the basis of race, color, religion, gender, national origin, age, disability, or any other characteristic protected by law.

In addition to a commitment to provide equal employment opportunities to all qualified individuals, the Council has established an affirmative action program to promote opportunities for individuals in certain protected classes throughout the organization.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Director of Human Resources. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

**103 Business Ethics and Conduct**

*Effective Date: 07/20/2005 (updated 7/17/2013)*

The continued success of the Council is dependent upon the trust of our supporters and guests, and we are dedicated to preserving that trust. Employees owe a duty to the Council, its supporters and guests to act in a way that will merit the continued trust and confidence of the public.
Truthfulness is required in all areas of employee conduct. Falsification of documents or giving misleading or untrue information to supervisor, co-worker or any manager as it relates to work will be cause for disciplinary action up to and including termination.

In general, the use of honesty and good judgment will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor; and, if necessary, with your Department Manager and/or the Director of Human Resources.

Compliance with this policy of business ethics and conduct is the responsibility of every Council employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

104 Employee Medical Examinations

Effective Date: 07/20/2005  (updated 7/17/2013)

To help ensure that employees are able to perform their duties safely, medical examinations may be required.

In all cases, a drug screening is required. The offer of employment is contingent upon satisfactory completion of this test. Such examinations will be performed at the Council's expense by a health professional of the Council's choice. Other than the drug test, post-offer medical examinations are required only for those positions in which there is a bona fide job-related requirement.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Access to this information will be limited to those who have a legitimate need to know.
105 Immigration Law Compliance

Effective Date: 07/20/2005

The Council is committed to employing only United States citizens and aliens authorized to work in the United States.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Council within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Director of Human Resources.

106 Disability Accommodation

Effective Date: 07/20/2005

The Council is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis including, but not limited to selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.
Post-offer medical examinations are required only for those positions in which there is a bona fide job-related requirement. Medical records will be kept separate and confidential.

Reasonable accommodation will be provided to qualified employees with known disabilities if necessary to will allow them to perform the essential job functions without placing an undue hardship on the Council.

This policy is neither exhaustive nor exclusive. The Council is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the Americans with Disabilities Act and all other applicable federal state, and local laws.

107 Job Posting

Effective Date: 07/20/2005 (updated 7/17/2013)

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. Other recruiting sources may also be used to fill open positions in the best interest of the organization.

The Council provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. Notices of regular, full-time job openings are generally posted. Each job posting notice will include the dates of the posting, job title, department, location, job summary, essential duties, and qualifications (required skills and abilities). Job openings will be posted on the bulletin board in the north lobby, posted on the website and sent out via email, and normally remain open until filled. Internal posting will occur for five business days prior to external posting. To be eligible to apply for a posted job, employees must have performed satisfactorily for at least 90 calendar days in their current position. Eligible employees can only apply for those posted jobs for which they possess the required skills, competencies, and qualifications.
To apply for an open position, employees should submit a job posting application and/or resume or other related materials to the Director of Human Resources listing job-related skills and accomplishments. It should also describe how their current experience with the Council and prior work experience and/or education qualifies them for the position. The Council recognizes the benefit of developmental experiences and encourages employees to talk with their supervisors about their career plans. Supervisors are encouraged to support employees' efforts to gain experience and advance within the organization. An applicant's supervisor may be contacted to verify performance, skills, and attendance. All qualified applicants will be reviewed and documented as part of applicant pool tracking.

201 Employment Categories

Effective Date: 07/20/2005 (updated 7/17/2013)

It is the intent of the Council to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. Certain employees are exempt from the overtime and minimum wage requirements of state and federal laws. Generally speaking, salaried executive, administrative, and professional employees are classified as EXEMPT, and notwithstanding any other policy or practice of the Council, these employees are paid on a salary basis in accordance with applicable laws and regulations. All other employees are considered NON-EXEMPT and will be paid overtime and minimum wages in accordance with the law.

An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by Council management. Status is determined in compliance with Department of Labor guidelines.

In addition to the above categories, each employee will belong to one other employment classification:
o **REGULAR FULL-TIME** employees are those who are regularly scheduled to work the Council's full-time schedule of thirty hours or more. Generally, they are eligible for the Council's benefit package, subject to the terms, conditions, and limitations of each benefit program.

o **REGULAR PART-TIME** employees are those who are regularly scheduled to work less than the full-time work schedule, but at least 20 hours per week. Regular part-time employees are eligible for some benefits sponsored by the Council, subject to the terms, conditions, and limitations of each benefit program.

o **PART-TIME** employees are those who are regularly scheduled to work less than 20 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of the Council's other benefit programs.

o **TEMPORARY** employees are those who are hired as interim replacements, to supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are usually of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for other Council benefit programs such as personal days, vacation, and health benefits.

o **STIPEND EMPLOYEES** are those paid on a stipend basis, including religious and student employees who are bound by the terms and conditions of their contractual agreements.

202 Access to Personnel Files
Effective Date: 07/20/2005

The Council maintains an official personnel file on each employee. Personnel files are the property of the Council, and access to the information they contain is restricted. Generally, only supervisors and management personnel of the Council who have a legitimate reason to review information in a file are allowed to do so. When the need arises, supervisory and management personnel are expected to contact the human resources department in advance of the need to arrange a time to review the applicable document(s) in the presence of the Director of Human Resources.

Employees who wish to review their own file should contact the Director of Human Resources. With reasonable advance notice, employees may review their own personnel files in the Council's offices and in the presence of the Director of Human Resources.

203 Employment Reference Checks

Effective Date: 07/20/2005

It is the policy of the Council to check the employment references of applicants whenever possible. Additionally, the Department Manager will refer all reference check inquiries from other employers to the Director of Human Resources to complete.

204 Personnel Data Changes

Effective Date: 07/20/2005

It is the responsibility of each employee to promptly notify the Council of any changes in his or her personal data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency; educational accomplishments, and other such status reports should be accurate and current at all times. If any personal data has changed, notify the Human Resources Department in writing as soon as possible.

205 Employment Applications
Effective Date: 07/20/2005

The Council relies upon the accuracy of employment information contained in the employment application, as well as the accuracy of other data presented during the hiring process. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

In processing employment applications, the Council will obtain a background investigation report. It may also obtain a consumer credit report for employment purposes only concerning credit worthiness, credit standing, and credit capacity for selected positions, such as positions where employees handle cash. If the Council takes an adverse employment action based in whole or in part on the consumer credit report, a copy of the report and a summary of your rights under the Fair Credit Reporting Act will be provided as well as any other documents required by law.

206 Performance Evaluation

Effective Date: 07/20/2005 (updated 7/17/2013)

Supervisors and employees are encouraged to discuss job performance on an informal, day-to-day basis. A formal written performance evaluation will normally be conducted at the end of a nonexempt employee's first 90 days after being hired or placed in a new position. This period allows the supervisor and the employee to discuss the job responsibilities, standards, and performance requirements of the new position. Additional performance evaluations may be conducted at the discretion of management.

All new employees will be on a 90 day probationary status. During this period employees will be evaluated based on performance, conduct and reliability. Employees on 90 day probation are not eligible for use of the progressive disciplinary policy.
Formal performance evaluations are scheduled every 12 months. They shall be conducted during the month of April each year. All evaluations shall be complete, discussion with employee conducted and submitted to HR by April 30. The standard evaluation form shall be used based on a three level rating system (1 = improvement needed, 2 = fully satisfactory, 3 = exceeds expectations). Any employee who receives BELOW an overall of 2, shall be reviewed again no longer than six months after annual evaluation. If improvement to the fully meets level is not observed and documented by the supervisor, employment may be terminated.

207 Job Descriptions

Effective Date: 07/20/2005

The Council makes every effort to create and maintain current job descriptions for all positions within the organization. The Council maintains job descriptions to aid in orienting new employees to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for employee performance, and establishing a basis for making reasonable accommodations for individuals with disabilities.

The Director of Human Resources and the hiring manager prepare job descriptions when new positions are created. Existing job descriptions are reviewed and revised when necessary so they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in the position's duties and responsibilities. When job descriptions change, affected employees will receive copies.

Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary. Contact the Director of Human Resources if you have any questions or concerns about your job description.

301 Employee Benefits
Effective Date: 07/20/2005  (updated 7/17/2013)

Eligible employees at the Society are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon employee classification and location. Your supervisor can identify the programs for which you are eligible. Details of most programs can be found elsewhere in the employee handbook. Some benefit programs require contributions from the employee.

Benefit programs include:

- 401(k) Savings Plan
- Auto Mileage Reimbursement (if appropriate)
- Benefit Conversion at Termination
- Bereavement Leave
- Dental Insurance
- Employee Assistance Program
- Family Medical Leave
- Holidays
- Jury Duty Leave
- Life Insurance
- Long-term Disability
- Medical Insurance
- Military Leave
- Short-term Disability
- Sick/Personal Time Off
- Vacation Benefits
- Vision Care Insurance
- Voting Time Off

302 Vacation Benefits

Effective Date: 07/20/2005  (updated 1/1/13)  (updated 9/1/14)

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Regular full-time and regular part-time employees are eligible to earn and use vacation time as described in this policy:
After 90 days of eligible service the employee is entitled to accrue up and earn bi-weekly on a pro-rata basis 10 vacation days each year.

After 5 years of eligible service the employee is entitled to 15 vacation days each year.

After 10 years of eligible service the employee is entitled to 20 vacation days each year.

Initially, your vacation is accrued and earned and awarded after you complete your first 90 days service. Every year thereafter, your vacation is accrued and earned bi-weekly on a pro-rata basis.

An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

If an employee terminates employment with the Society, either voluntarily or involuntarily, prior to reaching one year of service, no vacation will be paid. After one year of service, employees can request use of earned vacation time including that accrued during the waiting period. Upon termination, vacation earned but not taken will be paid through the last day of work at the employee’s regular rate of pay.

Paid vacation time can be used in minimum increments of two hours.
To take vacation, employees should request approval as far in advance as possible from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. Use of Vacation days must be approved by the supervisor in advance.

Vacation time off is paid at the employee's base pay rate at the time of use and is based on the employee’s scheduled work hours for the vacation hours taken.

As stated above, employees are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. In the event that available vacation is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year. If the total amount of unused vacation time reaches a "cap" equal to one and one-half times the annual vacation amount, further vacation accrual will stop. When the employee uses paid vacation time and brings the available amount below the cap, vacation accrual will begin again.
303 Holidays

Effective Date: 07/20/2005  (updated 7/17/2013)

The Council will grant holiday time off to all employees on the holidays listed below:

- New Year's Day (January 1)
- Martin Luther King, Jr. Day (3rd Mon. in January)
- Presidents Day (3rd Monday in February)
- Good Friday (Friday before Easter) - 1/2 day
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (1st Mon. in September)
- Thanksgiving (4th Thurs. in November)
- Day after Thanksgiving
- Christmas Eve (December 24) ½ day
- Christmas Day (December 25)

The Council will grant paid holiday time off to all regular full-time, and regular part-time employees immediately upon assignment to either of these classifications. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day.

To be eligible for holiday pay, employees must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday, unless on paid
Appendix B: Employee Handbook Example

and/or excused time off. Note: if a holiday falls on your regular day off, you will not be paid holiday time.

A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday.

If a recognized holiday falls during an eligible employee's paid absence (such as vacation or sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

Holiday pay will be granted to all regular full and part time employees if they are scheduled to work on that day. The amount will depend on the regularly scheduled hours per day.

If eligible nonexempt employees work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

304 Workers' Compensation Insurance

Effective Date: 07/20/2005

The Council provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately. Employees who sustain work-related injuries or illnesses are required to inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it must be reported immediately.
The supervisor will immediately submit an accident report to the Director of Human Resources and follow the specific procedures reviewed with management personnel. Neither the Council nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty, volunteer service, or recreational, social, or athletic activity sponsored by the Council.

305 Flex Leave Benefits replaces Sick Leave Benefits

Effective Date: 10/15/2014

The Council provides Flex Leave Benefits to all regular full-time and part-time employees for temporary absence. With approval from supervisor, this leave may be used for any reason and is accrued at the rate 6 days per year for full time employees (one-half day for every full month of services or prorated to work schedule). Employees can request use of flex leave benefits after completing a waiting period of 90 calendar days from the date they become eligible, i.e., the first day of active employment.

The time may be used for any reason; it is not limited to sickness of self or family member, or other personal necessity. Employees are not required to give a reason to supervisor.

Use of Flex Leave Benefits must comply with policy #704 - Attendance and Punctuality.

Employees may accrue up to a total of 80 hours of Flex Leave Benefits.

If an employee is absent for three or more consecutive days due to illness or injury, a physician’s statement may be required certifying that the employee may safely return to work. Flex Leave Benefits will not continue to accrue while an employee is on approved personal or other approved leave such as disability or FMLA. Unused Flex Leave Benefits will not be paid to employees while they are employed or upon termination of employment.

306 Time Off to Vote
Effective Date: 07/20/2005

The Council encourages employees to fulfill their civic responsibilities by voting. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, the Council will grant up to two hours of unpaid time off to vote.

Employees should request time off to vote from their supervisor at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule.

307 Bereavement Leave

Effective Date: 07/20/2005 (updated 7/17/13)

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. The Council defines "immediate family" as the employee's spouse, parent, grandparent, child, sibling; the employee's spouse's parent, grandparent, grandchild, or sibling. Up to three days of paid bereavement leave (one day of which must be the day of the funeral) will be provided to eligible regular full-time and part-time employees. Bereavement pay is calculated based on the base pay rate at the time of absence. Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave or take unpaid leave for additional time off as necessary.

Proof in the form of funeral memorial or other formal ceremonial program, or airline ticket, plus a written statement is required.

308 Jury Duty
Appendix B: Employee Handbook Example

Effective Date: 07/20/2005

The Council encourages employees to fulfill their civic responsibilities by serving jury duty when required. Regular full-time and part-time employees may request up to one week of paid jury duty leave over any two year period.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence, following receipt by the Council of proof of attendance at jury duty.

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid vacation accrual or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Employees are expected to report for work whenever the court schedule permits.

If, in the Council's judgment, the employee's absence would create serious operational difficulties, the employee may be asked to request an excuse from jury duty. The Council will continue to provide health insurance benefits for the full term of the jury duty absence.

309 Benefits Continuation (COBRA)

Effective Date: 07/20/2005

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Council's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours
or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the Council's group rates plus an administration fee. The Council provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the Council's health insurance plan. The notice contains important information about the employee's rights and obligations.

310 Health Insurance

Effective Date: 07/20/2005

The Council's health insurance plan provides employees and their dependents access to medical and vision care insurance benefits. Employees eligible to participate in the health insurance plan are regular full-time and part-time employees. Eligible employees may participate in the health insurance plan subject to all terms and conditions of the plan as detailed in the Summary Plan Description (SPD). Details of the health insurance plan are described in the SPD and at new employee orientation. An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) policy for more information. Contact the Director of Human Resources for more information about health insurance benefits.

311 Life Insurance

Effective Date: 07/20/2005

The Council provides a life insurance plan to provide eligible employees and their family's important financial protection. Accidental Death and Dismemberment (AD&D) insurance provides protection in cases of serious injury or death resulting from an accident. AD&D insurance coverage is provided as part of the life insurance plan. Regular full-time and part-time employees are eligible to participate in the life insurance plan subject to all terms and conditions of the plan. Details of the life insurance plan
including benefit amounts are described in the Summary Plan Description provided to eligible employees and at new employee orientation. Contact the Director of Human Resources for more information about life insurance benefits.

312 Short-Term Disability

Effective Date: 07/20/2005

The Council provides a short-term disability (STD) benefits plan to regular full-time and part-time employees unable to work because of a qualifying disability. Eligible employees may participate in the STD plan subject to all terms and conditions of the plan. Disabilities covered by workers' compensation are excluded from STD coverage. Details of the STD benefits plan including benefit amounts, when they are payable, limitations, restrictions, and other exclusions are described in the summary plan description provided to eligible employees. Other brief STD provisions are addressed in the sick leave benefit portion of this handbook. Contact the Director of Human Resources for more information about STD benefits.

313 Long-Term Disabilities

Effective Date: 07/20/2005

The Council provides a long-term disability (LTD) benefits plan for eligible employees. LTD is designed to provide continuing income for employees disabled and unable to work. Regular full-time and part-time employees may participate in the LTD plan subject to all terms and conditions of the plan. LTD benefits are offset with amounts received under Social Security or workers' compensation for the same time period. Details of the LTD benefits plan including benefit amounts, limitations, restrictions, and other exclusions are described in the summary plan description provided to eligible employees. Other brief STD provisions are addressed in the sick leave benefit portion of this handbook. Contact the Director of Human Resources for more information about LTD benefits.

314 401(k) Savings Plan

Effective Date: 07/20/2005

The Council has established a 401(k) savings plan to provide employees a vehicle for future financial security. An employee must complete the required length of service and be 21 years of age or older to participate. Eligible employees may join the plan only
during open enrollment periods and may participate in the 401(k) plan subject to all terms and conditions of the plan. The 401(k) savings plan allows you to elect how much salary you want to contribute and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs. Contributions to a 401(k) plan are automatically deducted from your pay before federal and state tax withholdings are calculated. The Council may also contribute some amount to each employee's 401(k) contribution. Contact the Director of Human Resources for more information about the 401(k) plan.

315 Employee Assistance Program (EAP)

Effective Date: 07/20/2005

The Council cares about the health and well-being of its employees and recognizes that a variety of personal problems can disrupt their personal and work lives. While many employees solve their problems either on their own or with the help of family and friends, sometimes employees need additional assistance. Through the EAP, the Council may provide confidential assistance for such issues as financial problems, need for food boxes, and conference store vouchers. The EAP is available to all employees. The EAP is strictly confidential and is designed to safeguard your privacy and rights. Information given to the EAP administrator may only be released if approved by the employee. Personal information concerning employee participation in the EAP is maintained in a confidential manner and is not a part of nor entered into the employee’s official personnel file. An employee needing assistance should contact Vincentian Support Services. A Vincentian Advisor may refer the employee to the nearest St. Vincent de Paul conference, if appropriate, rather than rendering direct assistance from the Council.

401 Timekeeping

Effective Date: 07/20/2005 (updated 7/17/13)

Accurately recording time is the responsibility of every employee. Federal and state laws require the Council to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time spent on the job performing assigned duties. Nonexempt employees must accurately record the time they begin and end their work. It is not necessary to clock out for breaks or lunch, unless the employee leaves the facility. If however any non-exempt employee does leave the facility on breaks or lunch, he/she must clock out. They should also record the beginning and ending time
of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Non-exempt employees must report all time worked and be paid accordingly. Any hours worked beyond those scheduled must be approved in writing, in advance, by the supervisor. If additional, non-scheduled are worked they must be reported and paid but employee should also be warned and if it persists, will be appropriately disciplined up to and including termination.

Altering, falsifying, tampering with time records, or recording time on another employee's time record will result in disciplinary action, up to and including termination of employment.

Non-exempt employees should report to work no more than seven minutes prior to their scheduled starting time nor stay more than seven minutes after their scheduled stop time without expressed, prior authorization from their supervisor.

It is the employees' responsibility to sign their time records to certify the accuracy of all time recorded. The supervisor will review and then initial the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

**402 Paydays**

*Effective Date: 07/20/2005*

All employees are paid biweekly on every other Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. In the event that a regularly scheduled payday falls on a Council day off, employees will receive pay on the last day of work before the regularly scheduled payday. If a regular payday falls during an employee's vacation, the employee may receive his or her earned
wages before departing for vacation if a written request is submitted at least one week prior to departing for vacation. Employees may have pay directly deposited into their bank accounts if they provide advance written authorization to the Council. Employees will receive an itemized statement of wages when the Council makes direct deposits.

403 Employment Termination

Effective Date: 07/20/2005

The following are examples of some of the most common circumstances under which employment is terminated:

Resignation - voluntary employment termination initiated by an employee.

Discharge - involuntary employment termination initiated by the organization.

Layoff - involuntary employment termination initiated by the organization for economic or organizational reasons.

The Council will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the Council, or return of the Council-owned property. The employee will also be notified in writing of certain health benefits that may be continued and of the terms, conditions, and limitations of such continuance. Suggestions, complaints, and questions can also be voiced during the exit interview. Since employment with the Council is based on mutual consent, both the employee and the Council have the right to discontinue the employment relationship at any time. Employees will receive their final pay in accordance with applicable state law. Any outstanding debt owed to the Council or cost of unreturned property may be deducted from the employee’s final paycheck.

404 Pay Deductions
Effective Date: 07/20/2005

The law requires that the Council make certain deductions from every employee's compensation. Among these are federal and state income taxes. The Council also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." The Council matches the amount of Social Security taxes paid by each employee. The Council offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs. Installment payments are pay deductions taken by the Council, usually to help pay off a debt or obligation to the Council such as repayment of an employee advance. If you have questions concerning why deductions were made from your pay check or how they were calculated, your supervisor or the Payroll Administrator can assist in having your questions answered.

501 Safety

Effective Date: 07/20/2005

To assist in providing a safe and healthful work environment for employees and visitors, the Council has a workplace safety program. The Facilities and Maintenance Manager and Director of Human Resources have responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

Some positions will require the use of safety equipment such as seat belts, safety shoes, gloves, or safety glasses. When such equipment is required, its use is mandatory. Neglecting or refusing to use required safety equipment will be grounds for discipline and possible termination.

The Council provides information to employees about workplace safety and health issues through regular internal communication channels such as meetings, bulletin board postings, memos, or other written communications. Employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards.
Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, fail to report or where appropriate remedy such situations, may be subject to disciplinary action, up to and including termination of employment. In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees must immediately notify their supervisor. If the supervisor is not immediately available, employees must notify their department manager or Human Resources.

502 Work Schedules

**Effective Date: 07/20/2005 (updated 1/1/13)**

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as duties and variations in the total hours that may be scheduled each day and week. Such decisions will be determined based on the legitimate business requirements of the organization.

503 Use of Telephones

**Effective Date: 07/20/2005 (updated 1/1/13)**

Personal use of the Council's telephones or any personal cellular phones, including text messages, during working hours should be reserved for those communications that are absolutely necessary and should be as brief as possible. Incoming personal calls or texts to employees are discouraged. Family members and acquaintances should be advised that such calls should be made only when necessary. Abuse of telephone privileges may result in discipline up to and including termination. Incoming calls to employees who do not have telephones at their workstations will be transferred to the supervisor or messages taken. Necessary outgoing calls or texts may be made at break times or before or after work.

504 Smoking
Effective Date: 07/20/2005 (updated 1/1/13)

In keeping with the Council's intent to provide a safe and healthful work environment, smoking in the workplace is prohibited except in those locations that have been specifically designated as smoking areas. In situations where the preferences of smokers and nonsmokers are in direct conflict, the preferences of nonsmokers will prevail. This policy applies equally to all employees, clients, volunteers, and visitors. Smoking is permitted in designated areas at break times only.

505 Rest and Meal Periods

Effective Date: 07/20/2005 (updated 7/17/13)

Each workday, full-time nonexempt employees are provided with two rest periods of 15 minutes in length. Rest periods will be scheduled by the supervisor. Since this time is counted and paid as time worked, employees must not be absent from their work stations beyond the allotted rest period time. All full-time employees are provided with one meal period of at least 30 minutes in length each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

If for any reason non–exempt employee leaves the campus during a rest or meal period, he/she must punch out and this fact documented.

506 Overtime

Effective Date: 07/20/2005

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work. Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked. Failure to work scheduled overtime or overtime worked without prior authorization from
the supervisor may result in disciplinary action, up to and including possible termination of employment.

507 Use of Equipment and Vehicles

Effective Date: 07/20/2005 (updated 7/17/13)

When using Council property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. All employees using Council vehicles are required to have current Arizona drivers’ licenses. Vehicles owned, leased, or rented by the Council may not be used for personal use without prior approval. Please notify the supervisor if any equipment, machines, tools or vehicles appear to be damaged, defective or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Your supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job. An employee who receives a traffic citation while driving a Council vehicle must report it to his or her supervisor immediately – the employee is responsible to pay for traffic citations. The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Unauthorized use of vehicles may result in termination.

508 Business Travel Expenses

Effective Date: 07/20/2005

The Council will reimburse employees for pre-approved reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the Department Manager. Employees whose travel plans have been approved are responsible for making their own travel arrangements, although assistance may be obtained from the Executive Secretary. When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by the Council. Employees are expected to limit expenses to reasonable amounts and treat Council money as if it were their own money, recognizing that our donors expect that we act with prudence.
Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by the Council may not be used for personal use without prior approval. When travel is completed, employees should submit completed travel expense reports within 30 days. Receipts for all individual expenses should accompany reports. Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues. Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, will result in disciplinary action, up to and including termination of employment.

509 Visitors in the Workplace

*Effective Date: 07/20/2005*

To provide for the safety and security of employees and the facilities at the Council, only authorized visitors (those wearing appropriate identification) are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances. All visitors should enter the Dan O'Meara Center at the north lobby. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on the Council's premises, employees should immediately notify their supervisor, contact Security, or, if necessary, direct the individual to the north lobby.

510 Information Technology (MIS)
Appendix B: Employee Handbook Example

Effective Date: 07/20/2005

All computers, installed software and related peripheral equipment purchased and or placed in service are the property of St. Vincent de Paul (Council) and under the control of the Manager of Information Systems (MIS) department. The MIS Department has the responsibility for maintaining and implementing Standards regarding security, distribution, use of systems, software, and access. The MIS department is the only entity within the Council that may authorize, purchase, contract for, install, or remove any computer or computer related software, hardware product or service. Computers and related assets and how they are to be utilized and distributed are at the discretion of the MIS department.

Privacy - This applies to all personnel. If you are in an area where computers are in use, you may not purposefully take action that will allow you to view the monitor or printed material without the expressed consent/permission of the current user(s) and under their supervision. Doing so is an invasion of privacy and is similar to opening mail not addressed to you. Consequences of such actions may result in disciplinary action ranging from a disciplinary letter being placed in your file to employee termination/volunteer dismissal. Usage - This applies to all personnel/volunteers whose duties require computer access.

1. The computer that you have access to may only be used for official Council business. You may not use it for personal use or gain.

2. Users may never add/delete software, services or hardware and/or otherwise modify the system in any way.

3. Attempting to subvert or circumvent network security, to impair functionality of the network, or to bypass restrictions set by the administrator(s) is strictly prohibited. Assisting others in violating these rules by sharing information or passwords is also considered unacceptable behavior.

4. Improper use or distribution of information is prohibited. This includes copyright violations such as software piracy.
5. Users accessing the network and/or the internet are representatives of the Council, and are expected to behave accordingly. If you are unsure then ask yourself this question: "Will my actions reflect well on the Council?"

6. Accessing the accounts and files of others without permission is prohibited. This protects all users on the network, not just the Council community. Taking advantage of an employee who inadvertently leaves a computer without logging off is no different than entering an unlocked room and stealing, reading a personal letter, or destroying someone’s personal property.

7. Internet access is a privilege, not a right and can be revoked at any time. The Internet is to be used only for Council official purposes. To keep viruses from being introduced to the network, users are not permitted to download any material of any kind.

8. Use of the Internet is not free. Users have a fiscal responsibility to manage and use this service for official Council business only.

9. Users may not use computers to generate or access material that could be considered pornographic, discriminatory, or otherwise offensive to other employees or the general public.

10. The Windows NT system allows System Administrators to track and monitor all user activities at all times. This will be done on a regular basis to ensure compliance with Council standards and to insure that computer equipment is allocated to best serve the needs of the Council.

11. Violation of any of the above items to include unethical standards of conduct can lead to disciplinary action including removal from your job.

**Single Purpose Computers**

If the computer that you are working on runs only one application (i.e. computers in the garment pricing area), then the information on your monitor and/or printer is not confidential and any person may view your monitor and/or printer. Only personnel whose duties require access to the computers may operate these computer(s) and related program(s).

**Stand-alone Computers**

If you are the only user and if the computer operating system requires you to log-on and you are not connected to the network, then use the systems capabilities to lock the workstation when you are not in the immediate area of the computer to protect your work and information.
Appendix B: Employee Handbook Example

**Computers on the Network**

All computers that are part of the network require you to provide a log-in and password. Your log-in grants you specific access to files, programs, and access capabilities. In areas where different users are constantly accessing computers, you are required to log off the workstation prior to letting another user access the computer. If the user is not in the immediate area and the workstation is not locked, you may only use the computer after logging off the other user and logging on the computer with your own log-in name and password. (The previous user may be highly upset with you as the current work in progress may not have been saved or a running process may not have been completed.)

**Use of the Floppy Drive(s) or Removable Media**

Use of the floppy drive(s) to copy material for work at home is limited to documents/data that are not sensitive/confidential. The following are examples of sensitive/confidential data that may not be copied or removed from Council computer(s) or premises: Employee Records, Medical Information, or Social Security Information. If in doubt, verify it first with the MIS department.

**Protection of Computer Equipment**

Do not eat while working at a computer workstation where crumbs and debris can fall in the keyboard. Be extremely careful where you place your drinks. Cups that are heavy and have a large base are harder to turn over.

If you are frequently removing staples and paper clips around your computer, put your keyboard on a sliding shelf or place a cover over it to keep it free of debris.

**Cleaning of Computers and Equipment**

It is your responsibility to clean your work area; including the computer and related peripherals. Prior to cleaning computer equipment, turn off and remove all power. Clean only the exterior of the computer, monitor or printer. Do not spray or pour any cleaning liquid directly on the equipment. Spray a soft clean cloth first with the cleaning solution before applying to exterior of equipment and cleaning. After cleaning the equipment use a soft, clean dry cloth to remove any excess moisture before returning power to your equipment and turning it back on.

**511 Workplace Monitoring**
Effective Date: 07/20/2005

Workplace monitoring may be conducted by the Council to ensure quality control, employee safety, security, and customer satisfaction. Employees who regularly communicate with the public or others outside the Council may have their telephone conversations monitored or recorded. Telephone monitoring is used to identify and correct performance problems through targeted training. Improved job performance enhances the image of the Council as well as satisfaction with our service. Computers furnished to employees are the property of the Council. As such, computer usage and files may be monitored or accessed. The Council may conduct video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence. Monitoring may also include surveillance of Council vehicles. Because the Council is sensitive to the legitimate privacy rights of employees, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

512 Workplace Violence Prevention

Effective Date: 07/20/2005

The Council is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Council has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises. All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times.

Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of the Council without proper authorization.
Appendix B: Employee Handbook Example

Conduct that threatens, intimidates, or coerces another employee, a volunteer, guest, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's gender, race, age, or any other class protected by federal, state, or local law. All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats or perceived threats by employees, as well as threats or perceived threats by clients, vendors, volunteers, or other members of the public.

When reporting a threat of violence, you should be as specific and detailed as possible. All suspicious individuals or activities should also be reported as soon as possible to a supervisor.

Do not place yourself at risk. If you see or hear a commotion or disturbance near your work station, report it immediately to your supervisor. The Council will promptly and thoroughly investigate all reports or threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical.

In order to maintain workplace safety and the integrity of its investigation, the Council may suspend employees, either with or without pay, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment. The Council encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or the Director of Human Resources before the situation escalates. The Council is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

601 Family Medical Leave Act
Appendix B: Employee Handbook Example

Effective Date: 07/20/2005

Permanent full-time or part-time employees employed for one year or more and who have worked at least 1,250 hours in the preceding year may qualify for a maximum of twelve weeks of leave per year for one, or more, of the following reasons:

(1) The birth of the employee’s child, and in order to care for the child during the first year of birth;

(2) The adoption of a child by the employee, or the placement of a child with the employee for foster care, and in order to care for the child during the first year of placement;

(3) To care for a spouse, child or parent who has a serious health condition or due to the employee’s own serious health condition.

NOTE: A serious health condition includes an illness, injury or impairment that requires (1) absence from work, school or other normal daily activities for more than 3 days; (2) in-patient care at a hospital, hospice, or residential medical care facility; (3) care by a licensed health care provider for a continuing or chronic condition; or (4) absences due to pregnancy.

The “leave year” for purposes of calculating leave entitlement is the 12-month period beginning on each employee’s anniversary date. Leave may be taken for time periods of twelve consecutive weeks or less, or may be taken intermittently or on a reduced work schedule when medically necessary due to the employee’s or family member’s serious health condition. If intermittent or reduced schedule leave is permitted, the employee may be required to temporarily transfer to an alternative position. Intermittent and reduced schedule leave is not permitted when leave is taken following the birth, adoption or placement for foster care of a child. Married employee couples may be restricted to a
combined total of 12 weeks leave within any 12 month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

Employees who have been employed for less than one year or who worked less than 1,250 hours in the year preceding the beginning date of requested leave or who are otherwise ineligible for leave under this policy, the granting of a leave of absence and the conditions under which a leave of absence may be granted, including the amount of leave, will be determined on a case by case basis in the sole discretion of executive management in conjunction with the supervisor and the human resources department.

**Family Medical Leave Request Procedure**

An employee requiring leave must submit a written request to his or her supervisor stating the reason for the leave and the expected beginning and ending date of the leave. Leave request forms are available from the human resources department. When the need for leave is foreseeable, such as an expected birth or adoption or for planned medical treatment, the employee must request leave at least thirty (30) days before the leave period is expected to begin. However, when such advance notice is not possible, a leave request shall be submitted as soon as practicable before the beginning of the leave. (In the event of a medical emergency, leave may be requested orally as soon as reasonably possible by either the employee or a responsible family member if the employee is unable to make the request, provided that the employee should submit a written leave of absence request as soon as he or she is able.) A failure to provide adequate notice prior to a requested leave date may result in postponement of the date on which leave may begin.

When leave is anticipated for the purposes of medical treatment, the employee should consult with supervision and make a reasonable effort to schedule the leave, including intermittent or reduced schedule leave, so as not to unduly disrupt normal business operations. When leave is requested due to a serious health condition of the employee or a family member, the Council reserves the right, for justifiable cause, to require the employee to attempt to reschedule medical treatment relating to the condition,
subject to the ability of the health care provider to reschedule the treatment and the approval of the health care provider as to any modification of the treatment scheduled.

**Family Medical Leave Certification**

For leave due to a serious medical condition of the employee or a family member, the Council requires the submission of a medical certification signed by the licensed health care provider treating the employee or affected family member. The Council also reserves the right to require medical recertification from time to time during the leave period, and further reserves the right to obtain a second medical opinion with respect to any medical certification provided on behalf of an employee or family member. The necessary certification forms will be provided upon receipt of the employee’s leave request. A failure to complete and submit a medical certification form in a timely manner may result in denial or postponement of the leave or denial of continuation of the leave.

**Family Medical Leave Pay Status**

An employee going on leave must utilize all accrued and unused sick leave and vacation as part of his or her leave period, and will receive all normal and customary pay for sick leave and vacation time used. However, if these benefits are exhausted prior to the end of the leave, the remainder of the leave will be without pay. Sick leave and vacation benefits will not continue to accrue during leave periods.

**Benefits while on Family Medical Leave**

The Council will make its normal contributions for health insurance premiums for an employee on approved leave at the same rate and in the same manner paid while the employee is present at work. For paid portions of a leave, premium payments which are the employee’s responsibility will be deducted from pay in the normal manner. Any
portion of insurance premiums that are the employee’s responsibility during unpaid leave must be paid in accordance with documented arrangements made upon approval of such leave. A failure to make required insurance premium payments while on leave may result in the loss of insurance coverage. The Council also reserves the right to recover all insurance premium payments made on behalf of an employee during leave in the event the employee fails to return to work following the expiration of his or her leave period unless the failure to return is due to a continuation, recurrence or onset of a serious health condition or other circumstances beyond the employee’s control.

Return From Family Medical Leave

An employee returning to work upon the expiration date of his or her leave will be reinstated to the previous position held or to an equivalent position with the same or similar pay and benefits. Upon return from a leave due to the employee’s serious health condition, the employee must provide a medical certification that the employee is physically able to resume work prior to being reinstated. If, at any time during a leave, an employee determines that he or she will not return to work upon the expiration of the designated leave period, the Council should be advised of that fact in writing as soon as possible. If an employee fails to return to work on the agreed upon return date, the Council will assume that the employee has resigned. Reinstatement following a leave may be denied (1) if the employee’s position is eliminated or a layoff occurs during the leave period, (2) if leave is fraudulently obtained, (3) if the employee fails to return to work after using his or her twelve weeks of leave entitlement during the leave year, or (4) for any other reason permitted by law.

Additional information regarding FMLA will be provided in writing upon approval of such leave.
602 Military Leave

*Effective Date: 07/20/2005*

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable. Employees will receive partial pay for two-week training assignments and shorter absences. Upon presentation of satisfactory military pay verification data, employees will be paid the difference between their normal base compensation and the pay (excluding expense pay) received while on military duty. The portion of any military leaves of absence in excess of two (2) weeks will be unpaid. However, employees may use any available paid time off for the absence. Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible. Vacation, sick leave, and holiday benefits will continue to accrue during a military leave of absence. Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service. Contact the Director of Human Resources for more information or questions about military leave.

701 Employee Conduct and Work Rules

*Effective Date: 07/20/2005 (updated 1/1/13)*

To ensure orderly operations and provide the best possible work environment, the Council expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization. It is not practical to list all the forms of misconduct, however examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment, include but are not limited to:
Theft or inappropriate removal or possession of Council property

Falsification of records, misuse of time, not being at work station

Working under the influence of alcohol or illegal drugs

Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace

Fighting or threatening violence in the workplace

Horseplay

Negligence or improper conduct

Insubordination or refusal to follow orders

Disrespectful conduct

Violation of safety or health rules

Smoking in prohibited areas

Sexual or other unlawful harassment

Possession of dangerous or unauthorized materials or weapons in the workplace

Excessive absenteeism or any absence without notice

Unauthorized absence from work during the workday

Unauthorized use of telephones, mail system, computers, or other employer-owned equipment

Violation of policies

Unsatisfactory performance or conduct

Dishonesty

702-A Drug and Alcohol Use
**Effective Date: 07/20/2005**

It is the Council's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. All applicants will be required to undergo a drug test when an offer of employment is made. Refusing the drug test or producing a positive result of the test will result in withdrawal of any offer of employment. The Council will also periodically conduct random drug tests. A report of a positive result for non prescription (controlled substances) drugs will result in immediate termination.

While on the Council premises and while conducting business-related activities off the Council premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or non-prescription drugs. Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. In situations such as these, the supervisor must be informed.
To inform employees about important provisions of this policy, the Council has established a drug-free awareness program. The program provides information on the dangers and effects of substance abuse in the workplace, resources available to employees, and consequences for violations of this policy. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Director of Human Resources. Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through the Council's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all the Council policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause the Council any undue hardship.

Under the Drug-Free Workplace Act, an employee must notify the Council of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five (5) days of the conviction. Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Director of Human Resources without fear of reprisal.

### 702-B Prescription Drug Use

*Effective Date 01/01/2013*

Employees who are taking prescribed medication that may cause impairment, including employees who are legally certified for use of medical marijuana and in possession of an up-to-date card, will be allowed to work as long as:

- The employee can fully perform essential functions of the job as described in their job description, with or without reasonable accommodation
- The employee is not in a “Safety-sensitive position”, is defined as any job designated by management as a safety sensitive position or any job that includes tasks or duties that the employer in good faith believes could affect the safety or health of the employee or others while performing the assigned tasks. Safety sensitive job duties include but are not limited to (a) Operating a motor vehicle, other vehicle, equipment, machinery or power tools;(b) Repairing, maintaining or monitoring the performance or operation of any equipment, machinery or manufacturing process, the malfunction or disruption of which could result in injury or property damage,(c) Performing duties in the residential or commercial premises of a customer, supplier or vendor,(d) Preparing or handling food or medicine or (e) providing personal or medical care. Also employees may be restricted from certain positions where interaction with clients or guest could result in endangering the employee or others.

- The employee must inform his/her supervisor that medication is being taken that may cause impairment. (It is not necessary to identify the condition for which the medication is being taken)

The Council will make efforts to accommodate the employees taking prescription drugs that may cause impairment in accordance with applicable law, including placing the employee in position that is not safety-sensitive if available and the employee is qualified.

702-C Marijuana Use

Effective 7/16/2014

Per our existing policy regarding drug use 702-A, random testing will be conducted at least twice annually. The current zero tolerance policy for illegal drugs except marijuana will remain in place, i.e., termination of employment.

- In the case of marijuana, testing positive for the first time will result in a two week suspension without pay. Upon return, the employee will be retested and if negative
be able to return to work. The employee may be periodically tested after returning to work. The second offense in a twelve month period will result in termination.

- The exception to this policy is that any employee whose job requires driving a vehicle of any kind while attending to Society business will not be subject to this Policy 702 –C. He or she will be subject to Policy 702 –A of the employee handbook which calls for immediate termination.

- If any employee is suspected to be impaired by observation of supervisor, he/she will be suspended immediately and sent for a drug test. If positive, will be subject to the policy as described above. If negative, no penalty or loss of pay will result.

- Compliance with the law and safety of employees, volunteers, and guests is and will continue to be the driving force which governs illegal drug policy.

703 Sexual and Other Unlawful Harassment

Effective Date: 07/20/2005

The Council is committed to providing a work environment that is free from all forms of unlawful discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Negative or derogatory actions, words, jokes, or comments based on an individual’s gender, race, color, national origin, age, religion, disability, or any other legally protected class will not be tolerated. The Council provides ongoing harassment training to help allow you to work in an environment free of sexual and other unlawful harassment. Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment regardless of the gender of the harasser and regardless of the gender of the victim. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances
- Offering preferential treatment in exchange for sexual favors
Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

(1) submission to such conduct is made either explicitly or implicitly a term or condition of employment;

(2) submission or rejection of the conduct is used as a basis for making employment decisions; or,

(3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable, or you believe it would be inappropriate to contact that person, you should immediately contact the Director of Human Resources or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.
All allegations of sexual or other unlawful harassment or discrimination will be quickly and discreetly investigated by Human Resources. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation. Any employee (including supervisors and managers) who has been the recipient or otherwise becomes aware of any sexual or other unlawful harassment or discrimination (whether suspected or actual) should promptly report the matter to his or her supervisor, the Director of Human Resources, or any other member of management. Employees can raise concerns and make reports without fear of reprisal. It is against the Council's policy for any employee or volunteer to date or become romantically involved with any client to whom we are providing service.

704 Attendance and Punctuality

Effective Date: 07/20/2005 (updated 7/17/13)

Unplanned absenteeism and tardiness imposes a heavy burden on the department and the Society. Every employee serves an important function and we all depend on each other to be present and on time in order to do our important work.

Excessive absenteeism or tardiness is not acceptable. It is expected that employees are ready for work on time and work their complete shift all days scheduled unless previously approved by their supervisor. The direct supervisor should be notified as soon as possible of any change in schedule by employee - absence or tardy.

Since 2005, policy allows for six days per year for sick leave and personal necessity (#305). This policy further defines expectations and consequences for violation of policy as well as increased employee accountability for prudent use of sick/personal time. All employees should be aware of the specifics of the policy.

Effective the above date, the following rules will be enforced regarding attendance and punctuality. If during a six month period of time the employee has a total of more than two (2): unplanned absences, tardies, or occasions leaving his/her scheduled
shift before its scheduled end, the following progressive discipline process will occur:

Third occurrence:  Verbal warning

Fourth occurrence:  Written warning

Fifth occurrence:  3 – day suspension w/o pay

Sixth occurrence:  Termination of employment

“Unplanned” is any absence, tardy, or leaving early, for whatever reason, that has not been scheduled and approved at least 48 hours in advance. Tardy is arrival more than seven minutes past scheduled time.

Vacation time requests must be submitted in writing two weeks in advance and approved by the supervisor based on the needs of the staffing department.

In the case of “No Call – No Show”, due to the serious disruption this causes in the workplace, one warning will be given and upon the second occurrence in a six month period, the employee may be terminated.

705 Personal Appearance

Effective Date: 07/20/2005

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image the Council presents to the community.
During business hours or when representing the Council, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards.

Your supervisor or department head is responsible for establishing a reasonable dress code appropriate to the job you perform. Consult your supervisor if you have questions as to what constitutes appropriate appearance.

Without unduly restricting individual tastes, the following personal appearance guidelines should be followed:

- Shoes must provide safe, secure footing, and offer protection against hazards.
- Jewelry should not be functionally restrictive or dangerous to job performance.
- Loose, flowing clothing and/or long, unrestrained hair pose a safety hazard when working around equipment or machines.
- Revealing, suggestive or lewd dress is prohibited.

706 Return of Property

*Effective Date: 07/20/2005*

Employees are responsible for Council property, uniforms, materials, or written information issued to them or in their possession or control. Employees must return all the Council property immediately upon request or upon termination of employment. Where permitted by applicable laws, the Council may withhold from the employee's check or final paycheck the cost of any items that are not returned. The Council will also take all action deemed appropriate to recover or protect its property.

707 Security Inspections
Effective Date: 07/20/2005

The Council wishes to maintain a work environment free of illegal drugs, alcohol, weapons, explosives, or other improper materials. To this end, the Council prohibits the possession, transfer, sale, or use of such materials on its premises. The Council requires the cooperation of all employees in administering this policy. Desks, lockers, and other storage devices may be provided for employees’ convenience, but remain the sole property of the Council. Accordingly, any agent or representative of the Council can inspect them, as well as any articles found within them, at any time, either with or without prior notice. Placing a lock on it does not safeguard from an inspection, as the Council has a right to know what is on its property at all times. The Council likewise wishes to discourage theft or unauthorized possession of the property of employees, the Council, visitors, and guests. To facilitate enforcement of this policy, the Council or its representative may inspect not only desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto the Council's premises. Employees found stealing from the Council will be disciplined, up to and including termination, and may be prosecuted.

708 Corrective Action

Effective Date: 07/20/2005 (updated 1/1/13)

The purpose of this policy is to state the Council's position on administering a corrective action procedure to provide employees with an opportunity to correct unacceptable behavior or performance. Management will normally use a three-step process to formally address employee behavior or performance issues. The particular form of corrective action to be used will depend on the severity of the action and the employee's documented employment record. Management and employees are encouraged to actively participate in informal counseling and coaching opportunities prior to formal corrective action is taken.
Formal corrective actions will be documented and, whenever possible, signed by the employee including verbal warnings. Depending on the severity and frequency of the infraction or patterns of continued inappropriate or unprofessional behavior or poor performance, the following formal corrective action may be used. No required minimum number of days must separate one corrective action step from another. Also, the same step of corrective action may be used more than once by management, instead of moving to the next step, if the employee has shown improvement and, in the opinion of management, is correcting or sincerely attempting to correct the situation. Likewise, continued progression along different lines is possible, i.e., corrective steps can be advanced for different offenses such as verbal warning for absenteeism and a written warning for insubordination.

The process as described below may be accelerated or by passed completely in the event of very serious breaches of policy or conduct, such as theft, violence, or insubordination. Any departure from the usual corrective action process must be reviewed and approved by Human Resources in advance.

Employees may make a written statement at any point in the corrective action process before the document is signed by the employee and supervisor. Additionally, an employee is allowed to express their refusal to sign any corrective action document and will be requested to indicate that refusal in writing.

**Corrective Action Process**

**Documented Verbal Warning** - a scheduled employee counseling meeting between the supervisor and employee will be held to review the employee's behavior or work performance issue and the results expected. The Verbal Warning is signed by the employee and supervisor. A copy of this document is given to the employee and one is retained in the employee's official personnel file.
Written Warning - If sufficient improvement in the employee's behavior or performance is not observed after issuing the documented verbal warning or the behavior or performance is such that it requires bypassing the verbal warning, a written warning may be given. The issue and relevant facts will be documented on a Corrective Action Form along with the corrective action required, usually within a stated time period. The Written Warning is signed by the employee and supervisor. A copy of this document is given to the employee and one is retained in the employee's official personnel file.

Employee Suspension - If sufficient improvement in the employee's behavior or performance does not occur following the issuing of the written warning or the behavior or performance is such that it requires bypassing the written warning, the employee may be suspended without pay. This corrective action step is to give the employee time away from the workplace to reflect on the behavior or work performance issues and commit to correct the same. The period of suspension normally will not exceed three work days. A Corrective Action Form should be completed by the manager documenting this action. Additionally, upon return from suspended duty, a commitment in writing will be required between the employee and the supervisor documenting expected improved behaviors or performance. A copy of this document is given to the employee and one is retained in the employee's official personnel file.

Discharge - This final action shall be taken when all previous attempts at corrective action have failed or when the seriousness of the offense warrants immediate termination. The supervisor will document the particular events which brought about the termination decision. All employee terminations must be reviewed and approved by the Director of Human Resources before being considered official.

709 Employee Appeal Procedure
Effective Date: 07/20/2005

The Council provides an exclusive method for employees to bring problems and complaints about alleged breaches of policy to the attention of management without fear of retaliation. No employee will be harassed, intimidated, discharged, or otherwise disciplined in any way for participation in the Employee Appeal procedure or Arbitration procedure.

DEFINITION: Appeal - formal written complaint regarding an action by management which an employee feels is a breach of policy.

RULES: - Access to this appeal procedure is limited to full-time regular employees of St. Vincent de Paul.

  - Employees and supervisors should seek assistance from the Director of Human Resources on substantive and procedural issues.
  - Time limits may be extended at the request of the employee or manager and with the consent of the Director of Human Resources.
  - Appeals involving employee terminations will commence at Step Two of this procedure.
  - By filing an appeal, an employee agrees to meet with management and provide information needed to resolve the dispute. Failure to do so may result in the appeal being dismissed.

APPEAL STEPS:
Step One: The employee submits a written report through Human Resources outlining the problem and relief requested to the responsible supervisor within five (5) calendar days of the incident causing the problem, or within five calendar days of becoming aware of the problem. The employee and supervisor will meet promptly to discuss and attempt to resolve the problem. The manager will respond to the employee in writing within ten (10) calendar days of the meeting. The employee will have five calendar days to appeal the decision if the solution is unsatisfactory to him or her by notifying Human Resources in writing. If no appeal is made within this five calendar days, the matter will be considered resolved.

Step Two: The next higher level of management, as determined by Human Resources, will meet with the employee and the employee's manager, individually, in an attempt to resolve the problem. This manager will investigate the matter and answer the employee's complaint within ten calendar days of the employee meeting. This answer will also be in writing. The employee will have five calendar days to appeal the decision if the solution is unsatisfactory to him or her by notifying Human Resources in writing. If no appeal is made within this five calendar days, the matter will terminate.

Step Three: The Executive Director of the Council will conduct an investigation into the circumstances causing the problem. S/he may meet with the employee and management during the course of the investigation. S/he will provide a written response to the employee within fifteen (15) calendar days of the employee hearing. This answer will be final from the Council and end the employee appeal procedure. If the employee is not satisfied with the outcome of Step Three, and the matter appealed is a written disciplinary or termination action, the employee may elect to submit the entire controversy to final and binding arbitration. The Arbitration Procedure is outlined in a policy separate from this Employee Handbook.
Appendix B: Employee Handbook Example

710   Diocesan Council for the Society of St. Vincent de Paul of Phoenix:

Whistleblower Policy

Effective: April 18, 2007

General

The Diocesan Council for the Society of St. Vincent de Paul of Phoenix (Society) Guiding Principles requires directors, officers, members, volunteers and employees (individual stakeholders) to "Use your best judgment at all times to make decisions based on the overall interest of the Society" and to "treat all people with dignity and respect". This requires that high standards of business and personal ethics be practiced in the conduct of our duties and responsibilities. As stakeholders and representatives of the Society, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. In all cases “doing the right thing” for the Society is required.

Reporting Responsibility

It is the responsibility of all individuals to comply with the Guiding Principles and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No individual, who in good faith, reports a violation of the Guiding Principles shall suffer harassment, retaliation or adverse consequence. Anyone who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of the relationship with the Society. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Society prior to seeking resolution outside the Society.

Reporting Violations

Stakeholders have a responsibility to share their questions, concerns, suggestions or complaints related to this Whistle Blower Policy with someone who can address them properly. In most cases the first contact must be as outlined below. However, this may vary, depending on the circumstances:

- Employees: The immediate supervisor is to be informed of any and all violations or occurrences of impropriety. The supervisor or department head will contact the Human Resources Director within 24 hours concerning full investigation and remedial action as required. If the violation involves the immediate supervisor, employees should go directly to Human Resources for proper handling.

- Volunteers: Volunteers should report concerns to the department manager and/or the volunteer services management. Situations involving volunteers and employees should be brought to the
attention of Human Resources within 24 hours for a full investigation and the appropriate remedial action taken.

- Directors, Officers or Members: Concerns should be brought to the attention of the Conference, District or Council President or the Executive Director as appropriate.
- Individuals who do not feel comfortable reporting an incident to the immediate supervisor may report it to any member of the Society’s management team, Executive Board or Compliance Officer.

Individuals who have reported concerns who are not satisfied or uncomfortable, with the response from whom the report was made should contact the Society's Human Resources Department or Compliance Officer directly.

All individuals are required to report suspected violations of the Guiding Principles to the Society’s Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations.

**Compliance Officer**

The Society’s Compliance Officer is responsible for the investigation and resolving of all reported complaints and allegations concerning violations of the Guiding Principles and, at his/her discretion, shall advise the Executive Director and/or the audit committee. The Compliance Officer has direct access to the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Society’s Compliance Officer is the chair of the audit committee.
Accounting and Auditing Matters

The audit committee of the board of directors shall address all reported concerns or complaints regarding the Society's accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Guiding Principles must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Guiding Principles. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. All parties involved with the reporting or investigation must keep all pertinent information confidential until informed otherwise by the Compliance Officer.

Handling of Reported Violations

The receiver of the concern or complaint will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Adapted from the National Council of Nonprofit Associations, Sample Whistleblower Policy, 2004
Appendix B: Employee Handbook Example

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EMPLOYEE ACKNOWLEDGEMENT FORM

The employee handbook describes important information about the Society, and I understand that I should consult the Department Manager regarding any questions not answered in the handbook. I have entered into my employment relationship with the Council voluntarily and acknowledge that there is no specified length of employment and that this handbook is not a contract. I understand that I may raise any question or complaint without fear of reprisal. I acknowledge that in the event of dispute concerning an alleged breach of policy, I agree to follow the Employee Appeal Procedure outlined in this handbook.

EMPLOYEE'S NAME (printed):
_____________________________________________

EMPLOYEE'S SIGNATURE:
_______________________________________________

DATE: ___________________________________________