

 <p><b>Policies and Procedures</b></p>	<b>Category:</b>  <b>ADMINISTRATION (Leadership)</b>	<b>Policy No.:</b> <b>LD 1.0</b>
	<b>Issued by:</b> <b>BOARD OF DIRECTORS</b>	<b>Revised:</b>  <b>Effective Date:</b> 1.1.2011
<b>Subject:</b> <b>GIFT SHOP OPERATIONS</b>	<b>Approved by:</b>  <p style="text-align: center;"><i>Mary Quinn</i></p> <hr style="width: 20%; margin: auto;"/> President of the Board	<b>Supersedes Policy:</b> None
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## PURPOSE

1. To ensure accountability for the fiscal performance of the Gift Shop which serves as a fundraiser for Auxiliary charitable giving
2. To ensure the selection of goods that enhance the profitability of the Gift Shop
3. To ensure the Gift Shop is open sufficient hours to generate a profit
4. To ensure that appropriate records of Gift Shop income and expenses are maintained
5. To ensure proper Gift Shop money management and fiscal accountability
6. To ensure financial and other relevant Gift Shop information is provided to the Auxiliary Board

## POLICY

### 1. MANAGEMENT

- a. The gift shop management shall be approved by the KCH Auxiliary Board of Directors and may vary according to the volunteer resources available. Some possible models may include:
  - 1) a manager who is responsible for all aspects of the gift shop,
  - 2) a two or three-person co-manager arrangement with each co-manager having specific areas of responsibility, or
  - 3) a committee which might include all gift shop volunteers
- b. The manager(s) primary responsibilities shall be:
  - 1) purchasing,
  - 2) staffing,
  - 3) record keeping and
  - 4) reporting to the Auxiliary Board of Directors
- c. The manager(s) have the authority to delegate any of these tasks.

### 2. MERCHANDISE AND PRICING

- a. Merchandise shall be selected appropriate to the purpose, location and clientele of the gift shop.
- b. The balance between quality and price should be carefully considered. Items with a retail price of less than \$50 are preferred.
- c. A minimum number of high quality items in the \$50 to \$100 price range that are believed to be desirable to the gift shop clientele may also be selected.

- d. Merchandise may be purchased or donated. Merchandise must be new and in pristine condition.
- e. In general, merchandise shall be priced at double the wholesale cost plus shipping/freight.

### 3. STAFFING

- a. Gift Shop staff shall be KCH Auxiliary members in good standing.
- b. All Gift Shop staff shall sign a *Conflict of Interest Agreement* annually.
- c. Every effort will be made to have the Gift Shop staffed and open 6 hours a day, e.g., 10 AM to 4 PM, a minimum of 5 days per week.
- d. Staff will be given appropriate training.
- e. An instruction manual detailing daily duties and procedures shall be kept current for reference by Gift Shop staff.

### 4. RECORD KEEPING

- a. As new merchandise is received, it must be reconciled to the invoice and given an inventory number and retail price. These are entered into a computerized inventory list.
- b. When goods are sold, the inventory number is recorded on a sales slip that serves as a memorandum to remove the merchandise from inventory.
- c. All inventory is performed annually and reconciled against the computerized inventory list.  
**NOTE:** Exceptions to the inventory list are plants, live flowers and bottled water, because of the high turnover rate of these items.
- d. Invoices, bills of sale and receipts will be saved and filed for future reference and/or audit purposes.
- e. All sales are recorded on a sales slip, which is summarized at the end of each day. After being used to adjust inventory levels, they are retained for future reference and/or audit purposes.

### 5. MONEY MANAGEMENT

- a. Change in the amount of \$100 will be available in the Gift shop each morning.
- b. At the end of each day, the shop staff will total the cash and credit sales.
  - 1) A credit settlement report shall be generated and attached to the merchant copies of any charges.
  - 2) The cash portion of the day's sales (less any checks) shall be removed from the cash drawer.
  - 3) The drawer should then balance to \$100 for the following day.
- c. The Gift Shop staff shall complete an end-of-day report detailing cash, check and credit sales and a total sales figure for the day. The report, sales slips and daily receipts are sealed in an envelope and left in a locked file cabinet in the Gift Shop storeroom.
- d. The envelopes will be collected at least once a week by the Gift Shop Manager or designee who verifies the accuracy of the figures and records them in a sales ledger.
- e. The amount of the daily credit receipts is recorded in the checkbook and a deposit of cash and checks is prepared. Receipts are deposited into the Gift Shop bank account at least once a week.
- f. The Gift Shop will have a credit card issued in its name. Appropriate documentation of credit card charges will be maintained and retained.

- g. Purchases of merchandise and supplies may be paid by check at point of purchase or upon receipt of a verified invoice or by credit card. Appropriate documentation shall be maintained for all disbursements.
- h. Semi-annually, a report of the total sales for the previous six month period, together with a check for 4% of total sales shall be given to the Auxiliary Treasurer who will prepare the Excise Tax Return for the State of Hawaii.
- i. Gift Shop proceeds shall be submitted to the Auxiliary treasurer annually.

**6. REPORTING**

- a. A balance sheet and income statement shall be made available to the Board of Directors (BOD) at least once a month that reflects the receipts and expenditures of the Gift Shop.
- b. Any procedural changes or problems shall be reported to the President of the BOD as necessary.